

**REGULATION OF THE COMPANY'S BOARD OF DIRECTORS
NUMBER: 007/LG-01/PD-00/XII/2024**

CONCERNING

GOOD CORPORATE GOVERNANCE (GCG) POLICY

THE COMPANY'S BOARD OF DIRECTORS

- In view of : 1. Law of the Republic of Indonesia Number 40 of 2007 dated 16 August 2007 concerning Limited Liability Company as amended from time to time;
2. PT Telekomunikasi Selular's Articles of Association as contained in Notarial Deed of Ms. Poerbaningsih Adi Warsito, S.H., Number: 181 dated 26 May 1995 as amended with Deed Number: 141 dated 27 June 2023 ("Company's Articles of Association"), whose compositions of Board of Directors and Board of Commissioners has been amended in accordance with Deed Number 108 dated 30 May 2024, drawn up before Ms. Mala Mukti, S.H., LL.M. Notary in Jakarta;
3. Resolution of the Company's Board of Directors Number: 017/LG.01/PD-00/XI/2019 concerning Official Document Management Guidance in the Company dated 22 November 2019 ("KD 017/2019");
4. Regulation of the Company's Board of Directors Number: 014/LG.01/PD-00/XII/2021 concerning Board of Directors Charter dated 31 December 2021 ("PD 014/2021").
- Observing : 1. Regulation of the Minister of State-Owned Enterprises Number PER-2/MBU/03/2023 dated 3 March 2023 Concerning Guidance on Significant Corporation Governances and Activities of State-Owned Enterprises;
2. Regulation of the Minister of State-Owned Enterprises Number PER-3/MBU/03/2023 dated 20 March 2023 Concerning State-Owned Enterprises Organ and Human Resources;
3. Execution of **GOOD CORPORATE GOVERNANCE (GCG)** Implementation Reinforcement Commitment of Telkom Group by Board of Commissioners and Board of Directors of Telkom Group in Telkom Group Management Meeting (RAPIM) in July 2011 and "Telkom Group GCG Management Guideline" book Number PD.602.00/r.00/HK000/COP-D0030000/2011.

DECIDES

To stipulates : **REGULATION OF THE COMPANY'S BOARD OF DIRECTORS CONCERNING GOOD CORPORATE GOVERNANCE (GCG) POLICY**

FIRST : Stipulating Good Corporate Governance Policy is as contained in the attachments to this Regulation.

SECOND : Good corporate governance management policy is as referred to in the First Dictum.

In a broad outline, this Regulation contains:

- a. Good Corporate Governance implementation policy;
- b. General guidance on Good Corporate Governance performance;
- c. Its performance management; and
- d. Other principal matters regarding Good Corporate Governance performance with a strategical nature.

THIRD : Instructing all functions in the Company's internal body to make good corporate governance management policy as referred to in this Regulation as its performance guidance.

FOURTH : Assigning the officers in charge of Corporate Secretary function to be liable for conducting the good corporate governance practical implementation, including good corporate governance performance promotion, implementation, and monitoring activities as stipulated in this Regulation.

FIFTH : Assigning the officers in charge of Internal Audit function to evaluate good corporate governance management policy performance as stipulated in this Regulation.

SIXTH : Attachments to this Regulation are integral and inseparable parts of this Regulation.

SEVENTH : Further regulatory concerning the implementation of this Regulation is contained in the form of Company's internal policies and/or other official documents as set forth in the internal policy concerning document management.

EIGHTH : Good Corporate Governance Guideline as contained in Attachment to this Resolution is partially extracted from Articles of Association of the Company, Law No. 40 of 2007 concerning Limited Liability Company, and "Telkom Group GCG Management Guideline" book Number PD.602.00/r.00/HK000/COP-D0030000/2011, therefore in

the event of any discrepancy between the content of the guides and the reference documents, the content in the documents shall prevail.

NINTH : In the event of any amendment to the documents referred to in the eighth Dictum above, the company's secretary function shall be liable for making an adjustment in Good Corporate Governance Guideline, so that the document will always be updated.

TENTH : This Regulation is effective since the date of the stipulation.

Stipulated in : Jakarta

On : 30 Desember 2024

Property of PT Telekomunikasi Selular



CHAPTER I RECITAL

1.1 MEANING AND DEFINITION

In this Guidance, what is meant by:

1. **Subsidiary** is a company whose any or entire shares are owned and controlled by the Company so that:
 - a. The Company shall be the controller pursuant to the agreement with other Shareholders; or
 - b. Financial statement shall be consolidated into the Company's financial statement.
2. **Articles of Association** is the entire general regulation related to the Company's organization identity and governance, being the main rule of all Company's rules, and contained in a notarial deed.
3. **Asset** is all fixed assets owned by the Company, either movable or immovable assets.
4. **Assessment** is an identification, observation, review, evaluation, appraisal, and recommendation activities.
5. **Conflict of Interest** is a situation/condition allowing the organ of the Company to utilize the capacity and authority owned by them in the Company for personal, family, or group interest, so that the mandated duties cannot be performed objectively.
6. **Code of Conduct** is a set of rules setting out the appropriate responsibilities or practices for any individual or organization by giving contribution for the main stakeholders' welfare and respecting the rights around them.
7. **Completed Staff Work** is a framework referring to the process of problem presentation from operational-level Employees to the Decision-making officers in final and comprehensive form before the process of decision making is taken place.
8. **Corporate Strategic Plan** is the Company's long-term plan prepared in a long timeframe (5 years) and contained in a strategic planning document including a formula concerning target and objective to be achieved by the Company.
9. **Good Corporate Governance (GCG)** is a process and structure used by the Company to improve the Company's successful business and accountability to accomplish the shareholders' added value in a long-term period by still observing the other Stakeholder interest, based on the laws and regulations as well as ethic values.

10. **Board of Directors** is an organ of the Company which is fully liable for management of the Company for the interest and objective of the Company as well as represent the Company within or outside of the court.
11. **Director** is a member of the Board of Directors referring to an individual.
12. **Board of Commissioners** is an organ of the Company including all Members of Board of Commissioners and applicable as a Board unit in charge of supervising and advising Board of Directors in exercising the Company's activities; the Members of Board of Commissioners are the members of the Company's Board of Commissioners referring to individuals.
13. **ESG or Environmental, Social, and Governance** is a concept focusing on the sustainable construction, investment, or business activities in accordance with such three criteria namely environmental, social, and governance. ESG also includes the standards used to manage investments based on the company's policy with full responsibility.
14. **Ethics** is a group of unwritten norms or values that are believed by a group of community as a standard of conduct for such community based on the laws and regulations and business ethics.
15. **Fraud Risk Management** or abbreviated as **FRM** is a risk management aspect focused on policies, implementation instructions and procedures for managing fraud risk.
16. **Fraud Incident** is an actual occurrence including fraudulence or obtaining benefit from the Company, which is carried out by any person or a party, directly or through a contractor/third party of the Company, customer, intruder and usually but not obliged for personal benefit.
17. **Company's Holding Company Group** is the Company's Holding Company as well as all affiliate companies consolidated to the Company's Holding Company including sub-sub-subsidiary and its derivative.
18. **Company's Business Group** is all Subsidiaries along with sub-subsidiaries and their derivatives as well as Associated Companies.
19. **Company's Holding Company** is a company owning and controlling the Company through a voting right on the basis of its shareholding percentage including Telkom and/or Singtel.
20. **Internal Audit** is a unit together with internal supervisory person of the Company having function to assess the sufficiency and effectivity of the internal controlling system across business activities.

21. **Internal Control** is a process designed & exercised by Commissioners, Board of Directors, and other management members as well as all personnel of the Company, aimed to support the achievement of the followings:
- a. Performance target and objective of the Company;
 - b. Financial reporting reliance;
 - c. Operation effectivity and efficiency;
 - d. Compliance with applicable laws and regulations.
22. **Performance** is a description of level of achievement in performing the activities/duties compared to the working plan in a specified time to accomplish the Company's mission.
23. **Key Performance Indicator or abbreviated as KPI, hereinafter referred to as Key Parameter**, is an Indicator or parameter in the form of performance loads set out for each activity of the Company, which is expressed in certain units to measure the successful performance of activities done by the organization units based on the business strategies.
24. **Audit Committee** is a Committee established by and is liable to Board of Commissioners, in charge of giving assistance to Board of Commissioners in ensuring the effectivity of internal controlling system and effectivity of external auditor and internal auditor's task performance.
25. **Remuneration Committee** is a Committee established by and is liable to Board of Commissioners, in charge of making payroll and allowance system as well as selection criteria and nomination procedure for Board of Commissioners, Board of Directors, and other executives in the Company.
26. **Management Contract** is a Commitment between Board of Directors and the working unit leaders for the performance parameter and target of each working unit.
27. **Management Report** is a Report on working program achievement and performance target that has been stipulated by the Company within a specified period in which it contains target achievement analysis for each field of the activities of the Company in accordance with the performance target stipulated and prepared based on the accurate, relevant, and timely information.
28. **Enterprise Risk Management** is a culture, ability, and practice within the Company, integrated with the strategy and performance stipulation relied upon by the Company to manage the Risk in creating, retaining, and accomplishing the Company's Value.
29. **Risk Management Committee** is a Committee having authority to approve and implement risk management and compliance initiatives/policies.
30. **OKR (Objective Key Result), hereinafter referred to as Framework**, is a framework stipulating an objective, as well as measuring such objective through several key results as a benchmark.

31. **Supporting Organ** is the Company's Management, Company's Secretary, or officers appointed as Company's Secretary, Internal Audit, and Committee established by the Company.
32. **Company's Main Organ** is GMS, Board of Commissioners, and Board of Directors.
33. **Communication and Reporting** is a written accountability for the performance of an activity within a specified period, either regularly or irregularly, consisting of important occurrences.
34. **Shareholder** is an individual or legal entity legally holding one or more shares in the Company.
35. **Company** is PT Telekomunikasi Selular, unless the context in a certain sentence have meaning as a company in general.
36. **Research and Development** is the activities to obtain and process as well as analyze data or information whose results can be used as a reference to develop a business and improve added value and competition of the Company.
37. **Procurement** is an activity to procure a goods and/or service based on the procurement methods.
38. **Associated Company** is a Company whose shares are owned by the Company having the following criteria:
- Minority;
 - the Company having no controlling right;
 - Financial Statement not consolidated into financial statement of the Company; and/or
 - Recorded only as a long-term investment.
39. **General Meeting of Shareholders or abbreviated as GMS**, is an organ of the Company having authority that is not granted to Board of Directors or Board of Commissioners in a limit specified in the laws and regulations and/or articles of association.
40. **Risk** is an uncertainty effect of objectives, in which such effect can be in the form of deviation from the positive and/or negative expectations.
41. **Company Budget Working Plan or RKAP** is the working programs and budget of the Company prepared within a timeframe of 1 (one) year.
42. **Stakeholder(s)** is (a) party/parties directly or indirectly receiving or bearing the responsibility affected by the existence of the Company or which can affect the decision, policy, and operation of the Company caused by the Company's actions.

43. **Sustainability** is a concept describing the balance between environmental, social, and economic aspects (triple bottom line) as well as governance in exercising business to achieve an objective of the Company.
44. **Sarbanes-Oxley Acts Section 302 and 404 or abbreviated as SOA** is an internal controlling principle including Operational Control, Financial Reporting Control, and a Control aimed to ensure the compliance with the applicable laws and regulations for the Company. The control is performed through two levels namely Entity level and Operational level consisting of Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring components.
45. **Telkom or PT Telkom Indonesia (Persero) Tbk** is a limited liability company established under the laws of the Republic of Indonesia.
46. **Singtel or Singapore Telecom Mobile Pte. Ltd.** is a company established under the laws of Singapore.

1.2 PURPOSES AND OBJECTIVES

- A. Purpose of the stipulation of Good Corporate Governance (“GCG”) Guideline is the forms of commitment of the Company in its effort to implement GCG across business activities of the Company, including Company’s Holding Group and Company’s Business Group and giving a guidance used as an instruction for the Company’s Main Organ, management, working units, and all employees in implementing Good Corporate Governance.
- B. Objectives of GCG implementation are:
1. Being the best digital telecommunication service provider in Indonesia;
 2. Warranting the business performance of the Company in a long-term period (long term/run sustainability);
 3. Fulfilling compliance aspects in managing the Company;
 4. Maximizing the Company’s value including the core values by, among others, improving the implementation of transparency, independency, accountability, responsibility, and fairness principles in performing the activities of the Company;
 5. Performing the Company’s management professionally, efficiently, effectively, independently as well as empowering the functions and improving the independency of the Company’s Main Organ;
 6. Encouraging the Company’s Main Organ in decision making and carrying out any action based on the high moral value, professional company management principle, and compliance with the provision of laws and regulations, as well as awareness of the social responsibility of the Company to the stakeholders as well as environmental preservation around the Company;
 7. Encouraging the relevant shareholders, members of Board of Commissioners, and members of Board of Directors as well as other Stakeholders, in making a decision and in performing its actions, to comply with the high moral value and compliance with the applicable laws and regulations;

8. Optimizing the Company's value to obtain strong competitiveness, both nationally and internationally, so that it can retain its existence and sustainably operate to achieve the Company's purposes and objectives;
9. Increasing the Company's contributions in the national economy; and
10. Increasing the conducive climate for the development of national investment.

1.3 SCOPE

Scope of this GCG Guideline includes:

1. GCG policy basis;
2. Management's commitment in Implementing GCG;
3. All aspects of the Company's management including the systems and processes implemented by the Company's Main Organ and Supporting Organ across organization ranks, managements, and all employees including relationship management aspects with the Stakeholders.
4. Stages of the Company's GCG implementation; and
5. Relationship between Holding Company Group and Company's Business Group.

CHAPTER II

GOOD CORPORATE GOVERNANCE (GCG) POLICY BASIS

To achieve the objectives of the Company in implementing GCG practices across the business and operational activities of the Company, it is the basis of the GCG policy to translate the Company's vision and mission into the GCG's vision and mission which is subsequently translated into the Company's regulations/policies as follows:

2.1 COMPANY'S VISION AND MISSION

A. Vision:

"Be the best digital telco service provider in the region by empowering Indonesians to make a better today and excellent tomorrow."

B. Mission:

"Providing innovative & excellent connectivity, service and solution for everyone, every home, and every business to achieve more."

Vision and mission of the Company quoted in this Resolution of Board of Directors will always be adjusted with the newest vision and mission launched by the Company.

2.2 GOOD CORPORATE GOVERNANCE (GCG) VISION AND MISSION

A. Good Corporate Governance (GCG) Vision

1. Making the Company as the best digital telecommunication service provider in Indonesia through the excellent management of Good Corporate Governance;
2. Making the Company as the best reference for the implementation of Corporate Governance practice giving inspiration for the GCG implementation by other companies in Indonesia.

B. Good Corporate Governance (GCG) Mission

1. Developing and maintaining an integrated and comprehensive Good Corporate Governance that can give added value to all aspects of business operational activities of the Company;
2. Implementing Good Corporate Governance as the main principle in exercising business activities, which is integrated in all process and systems in the Company's Main Organ and Supporting Organ as well as its units;
3. Giving sufficient assurance that all Company's activities will always be in line with Good Corporate Governance standard, so that the objectives and targets expected by the Company can be effectively and efficiently achieved.

2.3 GOOD CORPORATE GOVERNANCE (GCG) PRINCIPLES

The Company as the subsidiary of BUMN is required to implement the principles of Good Corporate Governance in exercising business activities in all levels or organization stages. The Company must ensure that the GCG principles are implemented in each business aspect and across company's ranks to achieve business sustainability of the Company by taking the stakeholders into account.

GCG principles are:

1. Transparency

Openness in carrying out decision-making process and openness in disclosing the material and relevant information about the Company.

2. Accountability

Clarity of functions, performance, and responsibility of the Company's Main Organ, so that the Company's management can be carried out effectively.

3. Responsibility

Relevance in managing the Company to the provisions of laws and regulations and healthy corporate principles.

4. Independency

A situation in which the Company is managed professionally without any conflict of interest and influence/pressure from any party which is not in line with the provisions of laws and regulations and healthy corporate principles.

5. Fairness

Justice and equity in fulfilling Stakeholders and shareholders' rights arising based on the operational performance of the Company, fulfillment of performance of agreement and provisions of laws and regulations.

Implementation of Good Corporate Governance principles are at least accomplished in:

- a. the performance of duty and responsibility of the Company's Main Organ;
- b. the completeness and performance of committee's duties carrying out internal controlling function;
- c. the implementation of compliance, internal audit, and external audit functions;
- d. the implementation of risk management;
- e. the guidance for conflict of interest;
- f. the financial and non-financial condition transparency; and
- g. the code of conduct.

2.4 CULTURE AND STANDARD OF CONDUCT

The Company respects the cultural values in the Company as well as stipulates it in the daily basis in accordance with the Company's purposes and objectives.



The Company stipulates AKHLAK as Core Values of the Company which is believed that it will bring the Company into a company having strong character and being telecommunication industry leader as well as the business dynamics change therein.

Based on such Core Values above, the Company stipulates Employees MY ACTION Working Principles in interacting in the daily basis with all Stakeholders, both internal and external of the Company as follows:

a. AKHLAK Corporate Values:

1. *Amanah* (Reliable);
2. *Kompeten* (Competent);
3. *Harmonis* (Harmonious);
4. *Loyal* (Loyal);
5. *Adaptif* (Adaptive);
6. *Kolaboratif* (Collaborative);

b. MY ACTION in the internalization process is stipulated **with the branding "MY ACTION"** contains of:

1. Meritocracy (in how we appreciate people);
2. Integrity (in how we act based on norms and ethics);
3. Transparency (in how we communicate);
4. Agility (in doing adaptation);
5. Customer Centricity (as an input to create innovation);
6. Innovation (as an output);
7. Open Mindset (in our considerations); and
8. Networking (in our approaches)

Cultural values in the company and the working procedures set out in this Regulation of Board of Directors can be adjusted from time to time in a Regulation of Board of Directors in charge of the Company's Human Capital Management function.

2.5 ELEMENT OF GOOD CORPORATE GOVERNANCE (GCG)

In realizing GCG practices in the Company in accordance with the Company's vision and mission, it needs to build several integrated systems. The following is some system elements in realizing good governance in the Company:

A. Work and Business Ethics

Work and business ethics is a guideline on ethical behavior that contains the Company's ethical values that regulate internal relationships and with external parties and is one of the foundations in the journey towards a Company that has a good reputation with world class standards and can be trusted (the trusted company).

The following is the guidelines for work and business Ethics as a reference for the implementation of GCG in the Company:

1. Code of conduct for the Company's work and business Ethics contains ethical standards and standards of behavior as a moral and ethical reference for all elements of the Company in applying the basic values to achieve and maintain an excellent reputation and integrity;
2. The content of the work and business ethics in general contains provisions on what can be done and what should not be done related to the relationship with the Stakeholder(s), which is reflected in the linkage of business processes and objectives as follows:
 - a. Maximizing the profit for the Shareholders;
 - b. Maintaining a good relation with the customers;
 - c. Maintaining a good relation with the employees;
 - d. Establishing a synergy with any partner;
 - e. Fair competing with the competitors;
 - f. Taking social and community responsibility;
 - g. Complying with the applicable laws and regulations.
3. Work and business Ethics serves as an internal control that applies to the Company's internal and external transactions;
4. The implementation of work and business Ethics needs to be based on high integrity and can be expressed in an integrity pact, which is a commitment to carry out all duties and responsibilities in accordance with the applicable regulations with the main focus on preventing acts of enriching oneself or other parties that harm the Company's finances, collusion, and nepotism.
5. The purpose of the work and business Ethics is to instill the behavior expected by the Company and become a distinctive behavior that distinguishes the Company from other companies,

B. Policies and Procedures

Policies and procedures are documents that can be accessed and understood by all employees, and are used as a guide in running the business as well as a guide to work properly on a daily basis.

The following is general guidelines in the preparation of policies and procedures as a reference for the implementation of GCG in the Company:

1. The Company issues regulations and policies both strategic and operational in nature as a guideline for the implementation of the Company's business;
2. The Company manages the policies and procedures that have flowing, clear and measurable inputs and outputs;
3. The Company manages the policies and procedures of a technical nature which are business processes along with technical work guidelines in certain fields, supported by work procedures as a guide to operational activities;

4. The Company manages all business processes carried out by the Company and business units used to support operational activities;
5. Review of the implementation of policies and procedures must be carried out regularly.

C. Internal Supervision and Control

Internal control serves to ensure that the Company is run in accordance with the established policies and supports the achievement of the Company's objectives, including information security management. This is done by reducing any business risks that significantly affect the success of the Company.

The following is the guidelines for internal supervision and control as a reference for the implementation of GCG in the Company:

1. Internal control is implemented to prevent deviations in the implementation of the Company's strategic and operational policies against the applicable laws and regulations;
2. The internal control system includes, among other things, the following:
 - a. A disciplined and structured internal control environment, consisting of:
 - i. Integrity, ethical values and employee competence being the means by which management exercises its authority and responsibility;
 - ii. Organization and development of human resources;
 - iii. Attention and direction given by the Board of Directors.
 - b. The existence of a Risk Management function that study and manages business risks, which is a process to identify, analyze, assess and manage business risks.
 - c. Control activities, namely actions carried out in a process of controlling the Company's activities at every level and unit in the Company's organizational structure, including authority, authorization, verification, reconciliation, assessment of work performance, division of tasks, and security of the Company's assets;
 - d. Information and communication system, namely a process of presenting reports on operational, financial activities, and compliance with the provisions and regulations applicable to the Company;
 - e. Monitoring, namely the process of assessing the quality of the internal controlling system, including the internal audit function at each level and unit of the Company's organizational structure, so that it can be implemented optimally.

2.6 GOOD CORPORATE GOVERNANCE (GCG) PILLAR

To realize the practice of GCG implementation, pillars are needed which become the main pillars in supporting the implementation of GCG to run effectively. These pillars are effective leadership, clarity of duties and responsibilities, management capabilities and employee competencies and effective performance evaluation and consistency in the application of rules.

A. Effective Leadership

The following leadership guidelines serve as a reference for the implementation of GCG in the Company:

1. The Company's executive must be a role model for the implementation of GCG principles and ensure that the Company's operations achieve high performance targets while complying with all applicable laws and regulations;
2. Every executive of the Company is responsible for the planning process, determining the direction of the Company, the performance achieved by the Company, the obedience and compliance with the regulations and social responsibility as part of the community;
3. The examples of effective leadership characteristics to support the effectiveness of GCG implementation include:
 - a. Each executive has a communication medium to receive feedback from the operations;
 - b. Each executive has a clear strategic plan, goals, objectives and performance targets to be achieved and has a way to measure their achievement;
 - c. Each executive develops a performance measurement method that is comprehensive, accurate, sustainable and able to detect business changes or desired strategy changes;
 - d. Each executive ensures that each policy does not conflict with the applicable regulations and monitors the implementation of the policy in accordance with business demands;
 - e. Each executive ensures that data and information management is carried out effectively to support decision making and further maintains the information as an asset of the Company;
 - f. Each executive evaluates the effectiveness of work procedures, and improves the abilities/skills/experience of themselves and employees to ensure a sustainable performance growth.

B. Clarity of Duties and Responsibilities

The following is the guideline for the management of duties and responsibilities as a reference for the implementation of GCG in the Company:

1. Organization and Job Description Documents

- a. The Company has established an organizational policy that outlines the duties and responsibilities of each employee position in the Organization and Job Description document.
- b. The Organization and Job Description document includes: (1) Organizational Structure (2) Position title, (3) Job Description, (4) Work Output, (5) Reporting to.
- c. Job Description explains about:
 - i. Job responsibilities, which consist of detailed activities, duties and responsibilities of the position title concerned.
 - ii. Work output, namely deliverables from the job description that is their responsibility, which can be a reference in developing work targets / performance indicators.

2. Segregation of Duties and Responsibilities

- a. The Company designs an internal control procedure with the principle of segregation of duties. This principle is the principle of prudent transactional processes through a separation of functions or assignment of tasks with the different main functions to different people. This is to avoid internal fraud due to excessive roles so that there is no supervision;
- b. The principle of segregation of duties is designed and implemented in the Company to ensure:
 - i. Protection of the Company's assets includes accountability for the acquisition, use and disposal of good governance assets (custody of assets);
 - ii. Accountability of transactions in operations carried out by people who are in accordance with their control and authority (authorization of transaction);
 - iii. The maintenance / security of the accuracy of data on the results of recording, processing or reporting of each transaction that has an impact on the validity of the Company's asset value and financial reporting (record keeping);
 - iv. Internal control carried out by employees so that the accuracy, suitability, and completeness of the recording of transactions that occur in operations (activity control) is maintained / guaranteed.

C. Management Capability and Employee Competency

The following is the guidelines for employee management and competency development as a reference for the implementation of GCG in the Company:

1. The Company builds competencies to become professionals in their fields;
2. Competencies are built both in terms of technical and non-technical (leadership) matter;
3. The Company builds competencies related to GCG, including risk management, internal control, regulatory knowledge, audit management, in addition to technical competence;
4. The Company develops competency-based human resources so that they have confidence and professionalism in their fields.

D. Effective Performance Evaluation

The following is a guideline for unit and individual performance evaluation as a reference for GCG implementation in the Company:

1. The Company conducts continuous, comprehensive, multilevel and periodic performance evaluations to measure the achievement of the Company's plans and performance;
2. Performance evaluation results in corrective actions for deviation of realization against the target, in addition, it also considers the relevant issues that may affect the Company's success, and benchmarks the performance of competing or comparable Company to make appropriate corrective decisions;
3. The process of decision-making for performance evaluation uses data and information supported by information system technology.

E. Consistency of Rule Implementation

The following is the guidelines for the consistent application of rules as a reference in the implementation of the Company's GCG:

1. The Company implements applicable Company regulations consistently, fairly, transparently and indiscriminately;
2. The Company establishes a clear and firm measurement method for the reward and punishment system that applies in the Company;
3. The Company provides rewards in accordance with the achievements made and provides appropriate punishments for the punishments committed.

CHAPTER III

PRINCIPLES AND FRAMEWORKS OF SUSTAINABLE MANAGEMENT

A. Framework Sustainability

Sustainability has become a central issue that guides actions and innovations in various sectors, including the business sector. Sustainable innovation is very relevant and urgent in this modern era, especially in the context of environmental and social challenges, and the demand for companies to operate responsibly.

As the largest telecommunications company in Indonesia, the Company always applies the principles of Sustainability in running its business. We believe that Sustainability is an important matter in the future development of the Company's business. Based on the assessment of material topics, the Company has set Sustainability strategy and focus on 3 (three) pillars and 7 (seven) material topics, namely:

1. **Protect Environment**
 - a. Climate Action;
 - b. Waste and Resource Management.
2. **Empower People**
 - a. Talent Development and Growth;
 - b. Digital Responsibility and Inclusion;
 - c. Customer Engagement.
3. **Responsible Business**
 - a. Risk Management;
 - b. Value and Compliance.

B. Purpose and Benefit of Implementing Framework Sustainability

The implementation and disclosure of the Company's sustainability is very important to maintain the sustainability of the Company's business in the long term and create public accountability and transparency that will improve the Company's image and value in the community.

Furthermore, the implementation of the sustainability framework performed within the Environmental, Social and Governance (ESG) principles can reduce risk and indicate that the Company's investments have considered sustainability aspects.

The main objective of implementing Sustainability is to be able to maximize and realize the balance between the economic development and the environmental preservation so the needs can be met and it ensures the prosperity for the next generation.

The implementation of Sustainability has various benefits for the Company, among others, as follows:

1. Better Risk Management

The Company can identify and manage risks more effectively, especially environmental and social risks, and can help avoid adverse legal, financial and reputational consequences.

2. Operational Efficiency

Encouraging the Company to improve operational efficiency. For example, waste reduction, energy efficiency and wise use of resources can reduce the production and operational costs.

3. Increased Competitiveness

The Company can be more competitive and attract more customers who care about environmental, social and governance issues.

4. Improved Employee Engagement

Practices such as diversity and inclusion policies, as well as attention to employee well-being, can increase employee engagement and satisfaction. This can reduce the turnover and increase the Company's productivity.

5. Better Capital Access

Investors increasingly consider in making investment decisions. The companies that prioritize sustainability are more likely to gain access to capital from investors who care about sustainability.

C. Sustainability Governance for Board of Directors and Board of Commissioners

The Company's Board of Commissioners acts as a supervisor for the overall sustainability management process, among others by:

1. Ensuring that the sustainability vision, strategy and pillars are in line with the Company's business objectives and strategy to meet the stakeholders' expectations;
 2. Approving the annual sustainability report as one of the communication media to the stakeholders;
 3. Considering the sustainability aspects and specific climate-related issues in providing insight and direction of the Company's overall business processes.
- Supervising the overall sustainability management process.

The Board of Directors plays a role in ensuring the fulfillment of the Company's sustainability management framework, among others by:

1. Providing an insight and direction of the overall sustainability management process;
2. Ensuring the sustainability material topics that may impact the Company's long-term goals are assessed and managed;
3. Setting and embedding the right culture for effective sustainability management;
4. Ensuring that the correct sustainability management competencies are applied throughout the Company;
5. Taking into account the sustainability aspects and specific climate related-issues in providing a direction and reviewing the preparation of the company's planning and strategy, risk management, and annual budgeting.

6. Approving the overall sustainability strategy and target of the Company and the fulfillment of the annual sustainability report prepared based on IFRS or applicable standards;
7. Conducting a performance evaluation on the achievement of sustainability management fulfillment and reviewing its adequacy and effectiveness regularly.

The Board of Directors may form a committee under the Board of Directors with function descriptions that may be adjusted from time to time, including, among others:

1. Leading the implementation of activities related to sustainability management, such as preparing guidance for determining sustainability targets and programs;
2. Leading the management of sustainability targets and objectives and reviewing the achievement of sustainability performance, including approving the content of the sustainability report;
3. Preparing and developing the content of the sustainability report, including ensuring that all data and information stated are accurate and complete;
4. Reporting periodically on the overall sustainability management process to the Board of Directors.

D. Implementation of Sustainability Management

The Director in charge of the Sustainability Management function has an authority in activities related to sustainability management, including the following:

1. Issuing implementation guidance for the implementation of sustainability management;
2. Establishing the members and function descriptions of the committee and other persons in charge required for the implementation of sustainability management;
3. Establishing the updates to the Sustainability strategies and focuses as regulated in this Regulation as long as they have been approved by the Board of Directors;
4. Publishing the sustainability performance report of the Company.

CHAPTER IV

GCG IMPLEMENTATION COMMITMENT

GCG management is inseparable from the efforts to realize the vision and mission of the Company and to create a basis for good corporate governance implementation, it is necessary to make a GCG commitment by Tone at the Top and establish an integrated governance system.

4.1 SENSE OF URGENCY OF GCG COMMITMENT

To implement GCG effectively, it is necessary to build an understanding of the correct GCG, creating a sense of urgency to build a commitment to implementing GCG practices. These stages must be implemented consistently and continuously and measured periodically.

The Company is committed to implementing Good Corporate Governance systematically and consistently in order to build, provide added value, and maintain the trust of all Stakeholders.

The commitment to implementing GCG within the scope of the Company is based on the understanding that:

1. In the era of global competition, many corporations in Indonesia are seen as not being managed properly or not implementing Good Corporate Governance. In other words, governance in Indonesia is still weak. This is mainly caused by a fact that the Company in Indonesia does not yet fully have a value system (corporate culture) which is the core of corporate governance. This portrait is a valuable momentum to reflect on the GCG implementation in the Company.
2. The Company has grown into the largest cellular telecommunications company in Indonesia with a business strategy that focuses on the needs of customers, so it is necessary to maintain the trust of Stakeholders.
3. The Company needs to increase the value of the Company that is created along with the professionalism and excellence improvement in all aspects, starting from the function of the business unit to each individual in the Company.
4. By implementing GCG, every individual in the Company is required to implement the Company's management practices that have good corporate governance by acting in favor of the corporation's interests, and not for personal or group interests.
5. As the organization grows larger and develops, the GCG implementation in a corporation cannot be left to or depend on a person or individuals alone, but it is necessary to create a system, policy, or guidance that regulates it.

4.2 BUILDING GCG COMMITMENT

A. Tone At The Top (Exemplary or Role Model)

GCG commitment becomes the basic capital of the organization and becomes the basis of thinking of the organization in GCG implementation at the operational level. Commitment has a broad nature, including reaching the values to be built as behavioral capital for all components of the organization.

Commitment is built through an understanding of the importance of GCG implementation to increase the value of the Company, as well as a similarity of attitude that is stated actually which is initiated by Top Level Management.

B. *Commitment Manifest*

GCG's commitment is based on a strong Tone of The Top (Exemplary or Role Model) Management, not only as a slogan or management statement, but also the seriousness to preparing written rules followed by efforts to carry out these rules by taking into account the interests of all Stakeholders seriously.

Written rules/policies and dissemination that need to be built are carried out by:

1. Preparing GCG policies/guidelines;
2. Establishing work and business Ethics and communicate them to all elements of the Company;
3. Signing the GCG commitment declaration and integrity pact by all members of the Board of Commissioners, the members of the Board of Directors and employees;
4. Establishing a guidance for the Governance of the Board of Commissioners and the Governance of the Board of Directors (the Board of Commissioners' and Board of Directors' Charter or Board Manual);
5. Establishing the GCG committee including its members, job descriptions, duties, and responsibilities. The committee is formed to support the dissemination, implementation, and monitoring of the Company's GCG;
6. Establishing the GCG unit including its members, job descriptions, duties & responsibilities. The GCG unit is responsible for planning, disseminating, implementing, and monitoring the GCG implementation of the Company;
7. Building a system that supports GCG by related units including among others:
 - a. High-performance organization and high culture;
 - b. Excellent human resources and a culture of service;

- c. Effective leadership system;
 - d. Segregation of duties (separation of duties and responsibilities);
 - e. Performance measurement and reporting;
 - f. Rewards for performance and enforcement of errors;
 - g. Audit provisions (internal & external);
 - h. Risk Management;
 - i. Internal Control;
 - j. Policies and procedures;
 - k. Integrated Information System;
 - l. Information Security Management;
 - m. management and supervision of Subsidiaries;
 - n. placement of representatives in Subsidiaries;
 - o. Completed Staff Work (CSW) guidelines.
8. Building Governance for each business unit as an assessment result of the annual GCG Self-Assessment;
 9. Designing a monitoring, assessment, and follow-up system for GCG audit findings;
 10. Designing risk-based and GCG-based Corporate Social Responsibility (CSR) activities.

4.3 IMPLEMENTATION OF GCG COMMITMENT

For the GCG implementation to run effectively and in an integrated manner, a commitment from all parties in the Company is required. For this purpose, the following stages are required:

A. Stage of System Planning and Prioritization

1. Building an integrated system, policy, and business process in the Company;
2. Improving the effectiveness and optimization of unit functions and policies in the Company;
3. Integrating all GCG components and systems so GCG practices run smoothly and can be implemented effectively.

B. Stage of GCG Implementation

1. Building understanding, concern, and commitment;
2. Understanding the importance of understanding GCG implementation and building commitment by all Directors, Board of Commissioners, and Shareholders along with all employees to implement GCG practices seriously;

3. Conducting a study of the conditions of the Company related to GCG implementation and the necessary corrective actions;
4. Preparing a program and system of GCG implementation guidelines;
5. Internalizing GCG implementation so that a sense of ownership and seriousness is formed from all parties in the Company regarding the implementation of GCG guidelines in daily activities;
6. Providing resources starting from the formation of the GCG organization to providing resources consisting of allocation of budget, systems, processes, tools, and employees who have GCG competencies.

C. Stage of Assessment and Monitoring of GCG Implementation

For the GCG implementation, monitoring and assessment activities need to be carried out for the effectiveness of GCG implementation. The Monitoring stage reports the GCG incidents/deviations and carries out routine reporting on the Company's GCG implementation. The Assessment stage carries out assessments by internal parties and/or independent external parties to ensure that GCG implementation has been carried out effectively.

CHAPTER V

THE COMPANY'S ORGAN GOVERNANCE STRUCTURE

5.1 THE COMPANY'S ORGAN FROM A GCG PERSPECTIVE

In general, the Main Organ of the Company consists of the Board of Commissioners and the Board of Directors. The Board of Commissioners is responsible for supervising the management policies, the management of the Company, and providing advice to the Board of Directors, and the Board of Directors is responsible for managing/administering the Company.

The Board of Commissioners and the Board of Directors have equal positions, where each of them is responsible for conveying its performance at the GMS. However, both have the responsibility for maintaining the business continuity of the Company in the long term, therefore, the Board of Commissioners and the Board of Directors must have the same perception of the vision, mission, and values of the Company.

In compliance with the provisions, the GCG Structure further recognizes the Main Organ of the Company as follows:

1. The GMS which has authority that is not given to the Board of Commissioners and the Board of Directors;
2. The Board of Commissioners as the supervisor of the implementation of management policies performed by the Board of Directors and providing advice to the Board of Directors; and
3. The Board of Directors as the manager of the Company.

In addition to the organs of the Company mentioned above, the Company may have supporting units that complement the implementation of Company governance, including:

1. A committee that assists the Board of Commissioners or the Board of Directors according to the scope of their profession and expertise;
2. The Corporate Secretary being an official appointed as the liaison between the Company with its shareholders, investors and other external parties as well as the administrative manager of the Board of Directors; and
3. Internal Audit as the operational supervisor of the Company.

5.2 THE GOVERNANCE OF THE GMS

To realize GCG practices, the governance of the GMS must take into account the provisions of applicable laws and regulations and Articles of Association of the Company, among other, the following:

A. General Provisions of the GMS

1. The GMS is a forum for Shareholders to make any resolutions by considering the provisions of the articles of association and laws and regulations.
2. Resolutions taken in the GMS must be based on the interests of the Company.
3. The GMS consists of:
 - a. Annual GMS to validate the annual report and other relevant resolutions held no later than 6 (six) months after the end of the financial year;
 - b. Extraordinary GMS which can be held at any time based on the needs for the interests of the Company.

B. Authority of the GMS

The authority of the GMS, under the laws and regulations and the Articles of Association, includes but not limited to:

1. Approving the annual report and validation the financial statements;
2. Amending the Articles of Association of the Company;
3. Determining the calculation for the allocation of the Company's profit, among other for the retained earnings and reserves, or dividends to shareholders;
4. Appointing and dismissing the members of the Board of Directors and the Board of Commissioners;
5. Appointing and dismissing a public accountant;
6. Determining the remuneration (salary, allowances and other facilities) and severance pay/end of term of office pay for the Board of Directors and the Board of Commissioners;
7. Changing the main business sectors run by the Company or the main requirements of the telecommunications license issued to the Company;
8. Carrying out a liquidation, dissolution, merger, consolidation, or amalgamation of the Company;
9. Approving other certain actions by the Board of Directors in accordance with the authority in the Articles of Association of the Company.

C. Holding of the GMS

The requirements for holding of GMS, under the laws and regulations and the Articles of Association, include but not limited to:

1. The GMS shall be conducted at the domicile of the Company or the place where the Company conducts business activities within the territory of the Republic of Indonesia;
2. The GMS is held by sending prior invitation to the shareholders by registered letter stating the date, time, venue, and agenda of the GMS, as well as notification that the GMS materials are available at the Company's office from the invitation date of the GMS until the date of the GMS, which is carried out 14 (fourteen) days before the date of the GMS excluding the invitation date and the date of the GMS;
3. Except for the annual GMS, the GMS may also be held via video conference, or other electronic media facilities provided that all meeting participants can see and/or hear each other directly and participate in the meeting, and must meet the quorum and decision-making requirements as stipulated in the Articles of Association;
4. The GMS is chaired by the President Commissioner who, in the event that he/she is absent or unable to attend, can be replaced by one of the members of the Board of Commissioners. If all members of the Board of Commissioners are absent or unable to attend, the GMS is chaired by the President Director. If the President Director is absent or unable to attend, the GMS will be chaired by another member of the Board of Directors and, if all members of the Board of Directors are absent or unable to attend, the GMS will be chaired by one person selected among those present;
5. Every time a GMS is held, the minutes of the GMS must be made and signed by the Chairman of the Meeting, all shareholders or shareholder proxies and all meeting participants, unless the minutes of the meeting are made by a Notary;
6. Shareholders may also take binding resolutions outside the GMS, provided that all shareholders with voting rights agree in writing by signing the relevant proposal. Such resolutions are called circular resolutions of shareholders which have the same force as the resolutions legally adopted in the GMS;
7. The provisions for quorum, voting rights, and resolutions of the general meeting of shareholders (GMS) are regulated in the Articles of Association of the Company.

D. Rights of the Shareholders

The rights of the shareholders must be reserved so that the Shareholders can exercise their rights based on the articles of association and applicable laws and regulations.

The rights of the Shareholders, among others, are:

1. Attending the GMS and voting at the GMS;
2. Obtaining material information regarding the Company from both the Board of Commissioners and the Board of Directors regarding financial matter or other matters concerning the Company in a complete, timely, and regular manner;
3. Obtaining a share of the profits of the Company in the form of dividends, in proportion to the number of shares owned;
4. Holding a GMS in the event that the Board of Directors and/or the Board of Commissioners omits to hold an Annual GMS and at any time requesting an Extraordinary GMS to be held if deemed necessary, for example, if the Company faces a significant decline in performance;
5. In relation to the GMS, shareholders are entitled to obtain a complete explanation regarding the holding, including:
 - a. Invitation to the GMS;
 - b. The GMS Agenda;
 - c. Materials related to the GMS Agenda;
 - d. The GMS resolutions adopted in a transparent and fair manner;
 - e. Minutes of the GMS.
6. The exercise of the rights of the Shareholder will be assisted by the Corporate Secretary unit.

5.3 THE GOVERNANCE OF THE BOARD OF COMMISSIONERS

To realize GCG practices, the Governance of the Board of Commissioners must take into account the provisions of applicable laws and regulations and the Articles of Association of the Company, among other, the following:

A. Membership and Composition

1. The composition of the Board of Commissioners consists of the members of the Board of Commissioners appointed by the GMS, one of whom can be appointed as President Commissioner;
2. The composition of the Board of Commissioners must allow decision-making to be taken effectively, accurately, and quickly as well as can act

independently in the sense that they do not have interests that can interfere their ability to carry out their duties independently and critically in relation to each other and to the Board of Directors.

B. Personnel Qualifications

Shareholders in determining the members of the Board of Commissioners must consider personnel qualifications, among other:

1. Formal requirements:
 - a. natural persons;
 - b. being able to carry out legal acts;
 - c. within 5 (five) years prior to his/her appointment:
 - 1) has never been declared bankrupt;
 - 2) has never been a member of the Board of Directors or a member of the Board of Commissioners/Supervisory Board who has been found guilty of causing a company to be declared bankrupt; and
 - 3) has never been punished for committing a criminal act that is detrimental to state finances, other business entities and/or related to the financial sector.
2. The material requirements to be appointed as a member of the Board of Commissioners are:
 - a. integrity;
 - b. dedication;
 - c. understanding company management issues related to one of the management functions;
 - d. having adequate knowledge in the business sector of the company where the person concerned is nominated;
 - e. being able to provide sufficient time to carry out his/her duties; and
 - f. have a strong will (enthusiasm) to advance and develop the company where the person concerned is nominated.
3. Other requirements to be appointed as a member of the Board of Commissioners are:
 - a. not a political party administrator, legislative candidate, and/or legislative member in The House of Representatives, Regional

Representative Council, Provincial House of People's Representative, and Regency/City House of People's Representative;

- b. not a candidate for regional head/deputy head and/or regional head/deputy head, including regional head/deputy head officer;
- c. not currently holding a position that has the potential to cause a conflict of interest with the Company;
- d. not currently holding a position that based on the laws and regulations is prohibited from being held concurrently with the position of the member of the Board of Commissioners;
- f. physically and spiritually healthy, not currently suffering from an illness that could hinder the implementation of duties as a member of the Board of Commissioners as evidenced by a health certificate from the hospital; and
- g. having a Taxpayer Identification Number (TIN) and fulfilling the obligation to pay taxes for the past 2 (two) years.

C. Duties and Obligations of the Board of Commissioners

1. The duties of the Board of Commissioners according to the Articles of Association, among others, are as follows:
 - a. Supervising the management policies of the Company carried out by the Board of Directors and providing advice to the Board of Directors including regarding the development plan of the Company, the annual work plan and budget of the Company, business plans, implementation of the provisions of the Articles of Association of the Company and the resolutions of the General Meeting of Shareholders and the laws and regulations;
 - b. Carrying out duties, authorities, and responsibilities under the provisions of the Articles of Association of the Company and resolutions of the GMS;
 - c. Carrying out the interests of the Company by taking into account the interests of shareholders and being responsible to the GMS;
 - d. Examining and reviewing the annual report prepared by the Board of Directors and signing the annual report; and
 - e. Furthermore, the duties and responsibilities of the Board of Commissioners are regulated by the policy of the Company regarding the work procedures of the Board of Commissioners and the Board of Directors of the Company.
2. The obligations of the Board of Commissioners according to the Articles of Association, among others, are as follows:
 - a. upholding the cultural values of the Company and implementing them



in daily activities in accordance with the purpose and objectives of the Company. These cultural values reflect behaviors that include prioritizing customer needs, being open-minded, collaborative, creative, and adaptive. On the other hand, the Board of Commissioners must also be able to support the creation of a work environment that prioritizes the principles of meritocracy, integrity, transparency, and is oriented towards the development of the Company;

- b. Providing opinions and suggestions to the Annual GMS regarding periodic reports and other reports from the Board of Directors;
- c. Supervising the implementation of the work plan and budget of the Company (including the investment budget) and submitting the results of the assessment and opinions to the Annual GMS;
- d. Following the development of the activities of the Company and, in the event that the Company shows indications of decline, providing suggestions regarding improvement steps that can be taken;
- e. Providing opinions and suggestions to the GMS regarding any issues that are considered important for the management of the Company;
- f. Providing a report on the supervisory duties that have been carried out during the previous financial year to the GMS; and
- g. carrying out other supervisory duties as determined by the GMS.

D. Governance of the Duties and Responsibilities of the Board of Commissioners

Governance of the Duties and Responsibilities of the Board of Commissioners, among other, is as follows:

1. The Board of Commissioners must comply with the provisions of laws and regulations and/or the Articles of Association in carrying out its duties;
2. The Board of Commissioners is responsible for and authorized to supervising the management policies, and the course of management in general, both regarding the Company and the business of the Company and to providing advice to the Board of Directors;
3. Supervision and provision of advice are carried out for the interest of the Company and under the purposes and objectives of the Company, and are not intended for the interest of certain parties or groups;
4. In carrying out supervision, the Board of Commissioners is prohibited from participating in decision-making on the operational activities of the Company unless stipulated in the Articles of Association or the provisions of laws and regulations;
5. The decision-making on the operational activities of the Company by the Board of Commissioners is a part of the supervisory duties of the Board of Commissioners so that it does not eliminate the responsibility of the Board of Directors for the implementation of the management of the Company;



6. Members of the Board of Commissioners are prohibited from utilizing the Company for personal, family, and/or other party interests that may harm or reduce profits;
7. Members of the Board of Commissioners are prohibited from obtaining personal revenue either directly or indirectly from the activities of the Company other than legal income;
8. In the event of a conflict of interest, the members of the Board of Commissioners and the organ of the Board of Commissioners are prohibited from taking actions that may harm the Company or reduce the Company's revenue and are required to disclose the conflict of interest in every resolution.

E. Rights of the Board of Commissioners

The rights of the Board of Commissioners under the Articles of Association, among others, are as follows:

1. The Board of Commissioners at any time during the business hours of the Company with prior notice reserves the right to enter the building and yard or other premises used or controlled by the Company and reserves the right to check all books, letters, and other evidence, inventory, check and reconcile the condition of cash (for verification purposes) and other securities and reserve the right to know all actions taken by the Board of Directors;
2. It reserves the right to obtain any explanation from the Board of Directors or each member of the Board of Directors regarding all matters required by the Board of Commissioners;
3. In order to assist the implementation of its duties, the Board of Commissioners may form a committee; and
4. It reserves the right to receive remuneration under the determination of the GMS.

F. Holding of the Board of Commissioners' Meeting

The arrangements for holding the Board of Commissioners' Meeting under the Articles of Association, among others, are as follows:

1. The Board of Commissioners' Meetings may be held at any time:
 - a. If deemed necessary by one or more members of the Board of Commissioners; or
 - b. Upon written request from 1 (one) or more shareholders who jointly represent 1/10 (one-tenth) of more than the total number of shares with

voting rights;
but not less than once every 3 (three) months

2. The invitation to the Board of Commissioners' Meeting are sent by the President Commissioner or any other member of the Board of Commissioners to all members of the Board of Commissioners 14 (fourteen) days in advance (excluding the invitation date of the meeting date) by including the date, venue, time and agenda of the meeting;
3. The Board of Commissioners' Meeting is chaired by the President Commissioner. In the event that the President Commissioner is unable to attend the Board of Commissioners' meeting, the Board of Commissioners' meeting is chaired by another member of the Board of Commissioners selected from among the members of the Board of Commissioners present. A member of the Board of Commissioners can be represented at the Board of Commissioners' Meeting only by other members of the Board of Commissioners based on a Power of Attorney.
4. If not all members of the Board of Commissioners are present/represented, the matters not included in the agenda may not be decided unless an approval is obtained from the members of the Board of Commissioners who are absent;
5. The Board of Commissioners' Meeting shall be held at the domicile of the Company or at the place of business activity of the Company or other place approved by the entire Board of Commissioners;
6. The Board of Commissioners' Meeting shall reach a quorum and be valid and entitled to make binding resolutions if at least 4 (four) members of the Board of Commissioners are present/represented, including 1 (one) member of the Board of Commissioners nominated by each shareholder who has at least 10% of the total shares;
7. The resolution of the Board of Commissioners' Meeting shall be adopted based on deliberation for consensus. In the event that a resolution based on consensus is not reached, the resolution shall be adopted by voting based on the majority of affirmative votes, except for certain material matters that require the approval from all members of the Board of Commissioners, and in the event that affirmative votes and non-affirmative votes are comparable, the matter concerned shall be referred to the GMS;
8. The minutes of the Board of Commissioners' Meeting shall be drawn up by a person present at the meeting appointed by the Chairman of the Meeting and signed by all members of the Commissioners present, unless the minutes of the meeting are drawn up by a Notary;
9. Board of Commissioners' Meeting may also be held through media, teleconference, video conference, or other electronic media facilities



provided that all meeting participants can see and/or hear each other directly and participate in the meeting, and must meet the quorum and decision-making requirements as stipulated in the Articles of Association;

10. The Board of Commissioners may also make binding resolutions outside of the Board of Commissioners' Meeting, provided that all members of the Board of Commissioners agree in writing by signing the proposal. Resolutions adopted using such a method have the same force as the resolutions adopted validly at the Board of Commissioners' Meeting; and
11. The provisions for quorum and resolutions of the Board of Commissioners' Meeting are further regulated in the Articles of Association of the Company.

5.4 THE GOVERNANCE OF THE BOARD OF DIRECTORS

To realize GCG practices, the Governance of the Board of Directors must take into account the provisions of applicable laws and regulations and the Articles of Association of the Company, among other, as follows:

A. Membership and Composition

1. The number of Directors is adjusted to the needs, level of complexity, and strategic plan, and one of them is appointed as President Director;
2. The composition of the Board of Directors is a combination of professionals who have the knowledge and experience needed to enable an effective, efficient, and immediate decision-making process;
3. The composition and division of duties of the Board of Directors are based on the Organizational Structure determined by the GMS. In the event that the GMS does not determine the Organizational Structure and division of duties, the Board of Directors may determine the Organizational Structure, duties, and authorities through a Resolution of the Board of Directors;
4. Shareholders in determining the members of the Board of Directors must consider the qualifications of personnel, including:
 - a. Formal requirements:
 - 1) natural persons;
 - 2) being able of carrying out legal acts;
 - 3) within 5 (five) years prior to his/her appointment:
 - a. has never been declared bankrupt;
 - b. becoming a member of the board of directors or a member of

the board of commissioners who is found guilty of causing a Company to be declared bankrupt; or

- c. being punished for committing a criminal act that is detrimental to state finances and/or related to the financial sector. The financial sector includes: banking and non-bank financial institutions, capital markets, and other sectors related to public funds management.

b. Material requirements:

- 1) Expertise;
- 2) Integrity;
- 3) Leadership;
- 4) Experience;
- 5) Honest;
- 6) Good behavior;
- 7) High dedication to advancing and developing the company.

c. Other requirements:

- 1) not a political party administrator, legislative candidate, and/or legislative member in The House of Representatives, Regional Representative Council, Provincial House of People's Representative, and Regency/City House of People's Representative;
- 2) not a candidate for regional head/deputy head and/or regional head/deputy head, including regional head/deputy head officer;
- 3) Not currently serving as an official in a ministry/institution, member of the Board of Commissioners/Supervisory Board, or member of the Board of Directors in other business entities;
- 4) Not currently holding a position that based on laws and regulations is prohibited from being held concurrently with the position of member of the Board of Directors;
- 5) has dedication and provides full time to carry out his/her duties, as stated in a statement letter from the person concerned;
- 6) Physically and spiritually healthy, namely not currently suffering

from an illness that can hinder the implementation of duties as a member of the Board of Directors as evidenced by a health certificate from the hospital; and Has a Taxpayer Identification Number (TIN) and has fulfilled the obligation to pay taxes for the past two years.

B. Duties, Responsibilities, and Obligations of the Board of Directors

1. Duties and Responsibilities of the Board of Directors

The duties and responsibilities of Members of the Board of Directors according to the Articles of Association, among others, are as follows:

- a. Leading and managing the Company under the interests and objectives of the Company;
- b. Representing the Company both inside and outside the court regarding all matters and in all events;
- c. Binding the Company with other parties and other parties with the Company; and
- d. Carrying out all actions related to the Company, both regarding management and ownership, with limitations stipulated in laws and regulations and the Articles of Association.
- e. Furthermore, the duties and responsibilities of the Board of Directors of the Company are regulated in the policy of the Company regarding the work procedures of the Board of Commissioners and the Board of Directors of the Company.

2. The obligations of the Board of Directors according to the Articles of Association, among others, are as follows:

- a. Must uphold the cultural values of the Company and apply them in daily activities under the purpose and objective of the Company. These cultural values reflect the following behaviors: among others, prioritizing customer needs, being open-minded, collaborative, creative, and adaptive. On the other hand, the Board of Directors must also be able to create a work environment that prioritizes the principles of meritocracy, integrity, and transparency, and is oriented toward the development of the Company;
- b. Prepare the annual work plan and budget of the Company as well as the 5-year business plan;
- c. Hold and store the Register of Shareholders and Special List at the domicile of the Company; and
- d. Prepare and submit an annual report that has been signed together with the Board of Commissioners to the GMS to obtain validation.

C. Governance of the Duties and Responsibilities of the Board of Directors

The Governance of the Duties and Responsibilities of the Board of Directors, among others, are as follows:

1. The Board of Directors is required to manage the Company in accordance

with the authority and responsibilities of the Board of Directors as stipulated in the Articles of Association, the provisions of laws and regulations, and the Internal Regulations of the Company.

2. The Board of Directors is prohibited from utilizing the Company for personal, family, and/or other party interests that may harm or reduce the Company's profits.
3. The Board of Directors is prohibited from taking personal profit either directly or indirectly from the activities of the Company other than legal income.
4. In the event of a conflict of interest, members of the Board of Directors and officials who are directly responsible to the Board of Directors or have significant influence over the policies and/or operations of the Company are prohibited from taking actions that may harm the Company or reduce the Company's profits and must disclose the conflict of interest in every resolution.

D. Rights of the Board of Directors

Rights of the Board of Directors according to the Articles of Association, among others, are as follows:

1. Representing the Company both inside and outside the court; and
2. Receiving remuneration according to the determination of the GMS or the Board of Commissioners.

E. Holding of the Board of Directors' Meeting

The arrangements for holding the Board of Directors' Meeting according to the Articles of Association, among others, are as follows:

1. Board of Directors' Meeting may be held at any time:
 - a. If deemed necessary by one or more members of the Board of Directors; or
 - b. Upon written request from one or more members of the Board of Commissioners; or
 - c. Upon written request from 1 (one) or more shareholders who jointly represent 1/10 (one-tenth) of more than the total number of shares with voting rights;
but not less than once every 2 (two) months.
2. The invitation to the Board of Directors' Meeting are sent by a member of the Board of Directors who is entitled to act for and on behalf of and represent the Board of Directors with the provision that the meeting materials must be provided to all members of the Board of Directors no later than 3 (three) calendar days (in lieu of the meeting date) before the meeting;
3. The Board of Directors' Meeting is chaired by the President Director and in the event that the President Director is unable to present, the Board of Directors' Meeting is chaired by one of the other members of the Board of

Directors selected by and among the members of the Board of Directors who are present. A member of the Board of Directors can be represented at the Board of Directors' Meeting only by another member of the Board of Directors under Power of Attorney.

4. If not all members of the Board of Directors are present/represented, then matters not included in the agenda may not be decided unless approval is obtained from the absent members of the Board of Directors;
5. The Board of Directors' Meeting shall reach a quorum and is valid and has the right to make binding resolutions if at least 4 (four) members of the Board of Directors are present/represented, including 1 member of the Board of Directors nominated by each shareholder who has at least 10% of number of shares;
6. The resolution of the Board of Directors' Meeting shall be drawn through amicable discussion. If a resolution based on amicable discussion is not reached, then the resolution is drawn by voting based on the majority of approval votes, except for certain material matters that require the approval of all members of the Board of Directors and if affirmative votes and non-affirmative votes are equal, then the matter concerned will be referred to the Board of Commissioners' Meeting;
7. The minutes of the Board of Directors' Meeting are drawn up by a person appointed by the Chairman of the Meeting and signed by all members of the Board of Directors who are present unless the minutes of the meeting are drawn up by a Notary;
8. The Board of Directors' Meeting may also be held through media, teleconference, conference video, or other electronic media facilities provided that all meeting participants can see and/or hear each other directly and participate in the meeting, and must still meet the quorum and adoption of resolution requirements stipulated in the Articles of Association;
9. The Board of Directors may also make binding resolutions in lieu of the Board of Directors' Meeting, provided that all members of the Board of Directors agree in writing by signing the proposal. The resolution drawn up using such a method has the same force as one drawn validly at the Board of Directors' Meeting;
10. The provisions for quorum and resolutions of the Board of Directors' Meeting are further regulated in the Articles of Association of the Company.

5.5 CORPORATE SECRETARY

To realize GCG practices, the management of the Corporate Secretary consistently considers the following matters:

A. Position and Qualifications

1. The Corporate Secretary is an official appointed and dismissed by the Board of Directors as the Corporate Secretary;
2. The Corporate Secretary must have adequate academic qualifications and competencies to carry out his/her duties and responsibilities.

B. Functions, Duties, and Responsibilities

1. Function
 - a. As the Head of the GCG Team Unit as the person in charge of the success of GCG implementation and as the driving force of GCG with related units. The GCG Team is responsible for socialization activities, implementation, and monitoring of GCG implementation;
 - b. Assisting the Board of Directors in various activities, information, and documentation including:
 - i. Creating a Register of Shareholders;
 - ii. Attending Board of Directors' Meeting and preparing minutes of meetings;
 - iii. Organizing the holding of GMS;
 - iv. Communication and synergy with Corporate Secretary in other Companies or the holding company environment;
 - v. Preparing and communicating accurate, complete, and timely information regarding the performance and prospects of the Company to stakeholders;
 - vi. Publishing Company information tactically, strategically, and timely;
 - vii. Collect materials of the Director's Meeting and the Company's internal information which is relevant and important to be submitted to the Board of Directors.
2. Duties and responsibilities
 - a. Prepare the holding of GMS;
 - b. Attend the Board of Directors' meeting and joint meeting between the Board of Commissioners and the Board of Directors.
 - c. Manage and store documents related to the Company's activities including GMS documents, the minutes of the Board of Directors' Meeting, the minutes of joint meetings between the Board of Directors and the Board of Commissioners, and other important Company's documents.
 - d. Determine the criteria of information types and material that can be submitted to Stakeholders, including information that can be submitted

as public documents.

5.6 COMMITTEE

To realize the achievement of Company purposes effectively and efficiently including the implementation of GCG practices, then a number of Committees can be formed in order to help the duties of the Board of Commissioners and the Board of Directors, as relevant. Further regulation related to the formation of Committees referred to letter A and letter B below will be regulated with Company policy.

A. Committee Under the Board of Commissioners

1. The Board of Commissioners can form committees to help the Board of Commissioners in carrying out their duties;
2. Committee under the Board of Commissioners includes the following matters:

- a. Audit Committees

Audit Committees, among others, have duties and responsibilities including the following:

- i. Evaluate the effectiveness of Internal Control implementation;
- ii. Monitor and review the effectiveness of Internal and External Audit implementation;
- iii. Evaluate the monitoring process of the Company compliance with the internal regulations and laws related to financial statements.

- b. Remuneration Committees

Remuneration Committees, among others, have duties and responsibilities including the following:

- i. Review eligibility of remuneration system on Company;
- ii. Review policy eligibility of granting and using the facilities provided for the Board of Directors and the Board of Commissioners.

- c. Capex, Financing and Management Process Committee

This committee reviews Capex proposals, Financing and Management Process submitted by the Board of Directors.

- d. Risk Monitoring Committee

This committee serves for conducting monitoring, evaluation, analysis, and review the Enterprise risk management. This committee has authority to approve and determine the risk management policy/initiative, within the scope of enterprise risk management, and takes responsibilities in making strategic decisions.

e. Integrated Governance Committee

This committee serves for conducting monitoring and evaluation of Company integrated governance policy, giving recommendation to the Board of Commissioners for the improvement of integrated governance policy, and communicating with related work unit in order to obtain a report for integrated governance purposes.

f. Other committees according to the Company's needs.

g. Committees as referred to letter d and e can be held based on regulation related to the applicable governance for subsidiary of State-Owned Enterprise ("BUMN") from time to time.

B. Committee Under the Board of Directors

1. The Board of Directors can form committee based on their fields and duties, and according to organizational structure and complexity;
2. Committee is granted the authority to decide and approve policies containing a policy related to initiative and a policy to decide the transaction;
3. Committee under the Board of Directors includes the following matters:

a. Good Corporate Governance (GCG) committee

A committee that has authority to review and determine GCG policies entirely and assess the consistency of its application, including related to ethics, compliance with the Company policies and employee discipline;

b. Discipline Committee

A committee that has authority to approve and determine policies in the field of Human Resources (HR), ethics enforcement and employee discipline;

c. Service Quality Committee

A committee that has authority to conduct analysis and review of services to the customers in terms of networks and customer service, and provide proposals to follow-up handling to the Board of Directors.

d. Business Continuity Management Committee

A committee that has the authority to approve and determine the Company plan for Business Continuity Planning and Disaster Recovery Plan.

e. Information System Committee

A committee that has the authority to approve and determine the policies of the Company information system and steps to achieve an integrated information system;

f. Other committees according to the needs and scope of the Company's business.

5.7 INTERNAL AUDIT

To achieve GCG practices, Internal Audit in its operational is guided by the applicable policies related to Charter Internal Audit from time to time, by always considering things as the following description:

A. Internal Audit Position and Qualification

1. Internal Audit conducts assurance activity and consultation to help management/auditee to achieve business purposes conducted independently and objectively by referring to professional and ethics standards on Internal Audit Profession Standard or the Institute of Internal Auditors;
2. The head of Internal Audit must have adequate academic qualifications and competency in order to conduct his duties, authorities, and responsibilities.

B. Internal Auditor's Duties and Responsibilities

1. Prepare annual Internal Audit work plan;
2. Test and evaluate the adequacy of internal control implementation, Company governance, and risk management system according to the applicable internal control policy to the Company;
3. Conduct examination, review, and assessment of the efficiency and effectiveness in the field of finance, accounting, operational, human resources, marketing, information technology, and other activities periodically;
4. Conduct compliance examination on the provisions of related regulations

and laws;

5. Identify alternative efficiency improvement and effectiveness of resource use;
6. Provide improvement advice and objective information related to activity examined at all management levels;
7. Conduct audit synergy and or provide consultation required within the Company according to agreed assignment coverage;
8. Prepare supporting data, information, and analysis to the Board of Directors in order to:
 - a. delivering report of the President Director to the Audit Committee
 - b. delivering report of the President Director to the Board of Commissioners through the Audit Committee;
9. Conduct an audit for the implementation of GCG within the Company:
 - a. Provide integrated audit support with the holding Company;
 - b. Handling of Fraud action (Fraud Incident Handling) can be coordinated with the Discipline Committee.

5.8 EXTERNAL AUDIT

To achieve GCG practices, it is necessary to pay attention and conduct external audit control, among others, including the following matters:

1. To achieve independence in GCG implementation within the Company, it needs an external audit to conduct a general audit of financial reports;
2. External Audit is appointed by the GMS;
3. External Audit must be free from the influence of the Board of Commissioners, the Board of Directors, and other interested parties (Stakeholder(s));
4. The Company must provide all accounting records and supporting data required according to the applicable provisions and laws to the external audit so that it allows the external auditor to provide his opinion related to the fairness, compliance, and conformity of financial statements with the adopted accounting standards.

CHAPTER VI

COMPANY GOVERNANCE PROCESS

To optimize the Company's added value to increase business success and accountability, as well as to implement GCG practices within the Company, there are key governance processes and supporting mechanisms that drive GCG effectiveness, including:

6.1 TRANSPARENCY OF COMMUNICATION AND DISCLOSURE

To implement GCG practices, the Company's communication and information disclosures consistently considers things as the following description:

1. Effective communication is a factor affecting the trust of shareholders in the Company including trust in Company management by the Board of Commissioners/ Board of Directors/ Management;
2. The Company has an "anonymous disclosure" mechanism and an internal communication mechanism of important issues occurring within the Company, as conveyed by employees (whistleblowing). To the disclosing parties, they are protected by the Company;
3. Transparent, accurate, and timely disclosure of the Company's problems significantly influences investors to make investment decisions in the holding Company;
4. The Company discloses relevant important information in reports to the authorized parties (Annual Reports, Periodic Reports, and others) under the applicable laws and regulations promptly, accurately, clearly, and objectively.

6.2 ACCOUNTABILITY IN PERFORMANCE MEASUREMENT AND RESPONSIBILITY

To implement GCG practices, the Company's performance accountability consistently considers things as the following description:

1. The Board of Commissioners/ Board of Directors and Company management actively strive to pursue value growth, balance, and protect the interest of all Stakeholder(s), including realizing the Company's vision come true.
2. In practice, the Company sets strategic objectives using Framework and Key Parameters, consisting of clearly defined and aligned performance metrics for each business activity, measured to assess progress toward achieving the Company's visions and mission.
3. The Framework and Key Parameters for the Company's performance metrics are regularly measured, evaluated, and benchmarked against other Companies in the same industry or equivalent comparators. The mechanism of measurement, evaluation, and benchmarking are part of the Company's

performance management.

6.3 INDEPENDENCE OF INTERNAL AND EXTERNAL AUDIT

1. The implementation of audit is based on "check and balance" principle, meaning that management works to achieve balanced growth and value protection for the Company. On the other hand, auditors conduct and provide objective inspection results of rules implementation and business ethics.
2. Internal and external auditors provide recommendation for objective and comprehensive business management to the President Director and the Audit Committee;
3. Internal and external auditor seek and examine the implementation of business processes, risk points, and their controls in relation to business ethics policies and applicable regulations;
4. To support and maintain the independence of internal and external audit, shall take into account to the following matters:
 - a. Assessment of the effectiveness of the internal control system is carried out by the auditor function;
 - b. Audit of the Company's Financial Statements are conducted by Internal and External Audit;
 - c. Audit system includes audit on the fairness of financial statement presentation (general audit), compliance audit to the applicable provisions (compliance-based audit), operational audit, and investigative audit;
 - d. The developed and implemented methodology must include risk-based audit that occurred in the Company's business processes, as well as compliance with applicable laws and standards.

6.4 RISK MANAGEMENT

Risk management focuses on ensuring the Company's Sustainability by ensuring to achieve Company's targets while minimizing the likelihood and/or impact of risks. For this reason, it needs transparency in analyzing risk so that risk response can be easily determined, especially by conducting appropriate mitigation steps. The availability of risk management, GCG implementation to protect the interest of Stakeholder(s) can be performed.

The company always pay attention to the following provisions as part of Company risk management:

1. In implementing risk management, the Company builds visions of risk management exceeding as part of operational business process culture, and



has missions to integrate risk management into every business unit;

2. The Company conducts the development of an internal environment supporting the implementation of risk management;
3. The Company develops risk policies as guidelines for the risk management process within the Company;
4. The Company continuously develops risk management competencies and learning processes;
5. The Company has a risk register which is the result of risk identification process, risk level assessment and necessary mitigation plans to control risks. This Risk register is reviewed periodically at least once a year and whenever significant new initiatives arise;
6. The Company's risk assessment aims to determine priority levels for risk handling and to determine alternative mitigation plans by considering cost and benefit levels;
7. The Company develops processes for information management and communication-related to risk management so all units within the Company can be aware, understand and conduct risk management activities;
8. The Company conducts monitoring of the implementation of mitigation programs and their impact on changes in risk levels periodically to ensure risk levels can be controlled;
9. Company risk generally can be grouped into four main risk categories and three risk categories which can be considered, namely:
 - a. Main risk:
 - 1) Strategic risk is a risk related to the Company's visions, missions and objective.
 - 2) Operational risk is a risk related to the effectiveness and efficiency of the Company's operational activity.
 - 3) Financial Risk is a risk of the accuracy of data and information, timeliness of reporting, and proper and complete disclosure according to generally applicable principles for all Company reports, both financial and non-financial.
 - 4) Compliance Risk is a risk of suitability and compliance of all regulations and the Company's activities with applicable laws and regulations.
 - b. Risk which can be considered:
 - 1) Politic is the risk or loss caused by political instability or threats arising from political conditions and policies of a country, such as power struggles or war.
 - 2) Economic Uncertainty Risk is the risk or loss caused by economic

- uncertainty, whether national or global, such as inflation, currency devaluation, bubble economy, and other economic issues.
- 3) Competition Risk is the risk or loss caused by intense competition within the industry in which the Company operates.
10. The Company conducts Fraud Risk Management (FRM) regularly and continuously to reduce the occurrence of fraud risks.
11. Risk management focuses on creating value creation and value protection, and ensuring the Company's sustainability by achieving its targets and minimizing the likelihood and/or impact of risks.
12. Risk Management in the Company includes:
- a. risk management policy;
 - b. planning, implementation, monitoring, and risk management evaluation;
 - c. reporting of risk management; and
 - d. structures, duties, and responsibilities of related parties, including subsidiaries.
13. The Company is required to implement Risk Management effectively.
14. Risk Management Implementation, at least includes:
- a. active management by the Board of Directors and supervision by the Board of Commissioners;
 - b. adequacy of risk management policies and procedures as well as the determination of risk strategies;
 - c. adequacy of the process for identifying, measuring, treating, recording, monitoring, evaluating, and reporting, as well as the risk management information systems; and
 - d. comprehensive internal control system.

6.5 HUMAN RESOURCE MANAGEMENT

Effective Human Resource Management includes empowering human resources to contribute more than expected to the Company (people engagement) and ensuring optimal service to Stakeholder(s) and customer-oriented. This is conducted by educating and motivating employees to feel a sense of ownership in the Company, reflected in the Company's cultural attitudes. The Company also manages talent management and prepares succession planning to ensure smooth leadership regeneration and continuous business operations.

The Company consistently pays attention to the following provisions as part of Human Resource Management to ensure the Company always has excellent human resources that can be guided and mobilized to achieve the Company's objectives.

A. Workforce Planning

Workforce planning is conducted to anticipate the Company's labor needs, based on organizational analysis (job design, job roles, position formation, job evaluation, competencies, labor turnover) and analysis of position requirements for the coming years, according to the Company's business strategy and development. In conducting a job needs analysis, the results of the organizational analysis, workload, Company budget, and employee strength data must be taken into account.

B. Fulfilling Workforce Requirements

The labor procurement is conducted based on the Company's needs, in accordance with the required criteria and competencies. Labor resources can come from inside the Company (permanent employees and contract employees), seconded employees from the holding Company, and labor from outside the Company. Filling structural position formations is prioritized for labor from inside the Company. As for filling new position formations and labor requirements from outside the Company, it is conducted by considering the applicable labor laws and regulations.

C. Selection and Orientation Program

The recruitment of labor is carried out through a transparent and objective selection process, at least through administrative selection, written tests, interviews, and health tests, and attempted to involve labor authorities or competent universities and other institutions. New employees who are recruited are provided with a general orientation program about the Company and specific orientation related to their field of work, and before being appointed as labor, they must participate in a probational period and/or special training program. The Company and labor are required to enter into an employment agreement before the start of the employment relationship according to the applicable laws and regulations.

D. Workforce Placement

Labor placement is carried out according to the Company's needs, based on the employment agreement agreed according to the principles of the right man at the right place and equal pay for an equal job. The labor placement for certain positions is carried out through fit & proper tests or assessments. Every employee must be willing to be placed in any region or unit within the Company, based on the Company's needs.

E. Workforce Development

This development is the Company's responsibility and the employees aim to increase the employee's knowledge and competencies through education and training pathways, as well as special assignment paths, to achieve the

Company's objectives, improve performance, fulfill competencies, and promote employees' career development is carried out to fill positions within the Company based on position competencies, the employee's competency profile, and career path projections (career path), including managerial/structural paths that follow the Company's organizational structure and expert/specialist paths, supported by the Professional Development Program. The Company must form a team/board assigned to select Company officials. For positions at certain levels, succession planning for Company officials is aligned with the employee's career development plan, and the Company's needs, and is reported by the Board of Directors to the Board of Commissioners.

F. Workforce Movement and Termination

Labor Transfer may include promotion, rotation, and demotion, carried out by considering the employee's career development and the Company's needs. Demotion is conducted by considering the guidance elements or the fairness in implementing punishment while still prioritizing the principles of justice. Each labor is granted equal opportunity to be selected and chosen to fill a position (promotion) as long as they meet the determined requirements. The Company grants priority to local employees in specific areas for filling positions (local promotion) according to their roles and competencies. The Company plans to organize a policy regarding transfers for Employees working in isolated or special category areas. Termination of employment causes rights and obligations that must be resolved according to the Collective Labor Agreement and applicable laws and regulations.

6.6 FINANCIAL REPORTING

To implement GCG practices and comply with the provision of SOA (Sarbanes Oxley Act) as well as to fulfill the rights of Stakeholder(s) especially the interests of shareholders regarding information, the Company's financial reporting consistently takes into account the following provisions:

A. General Policy

1. Financial statements are not merely a presentation of numbers but also include information related to the Company's performance which is useful for making business decisions.
2. A good financial statement is a report that can present information free from material/significant misstatements and from unintentional (error) or intentional (fraud) errors;
3. The Board of Directors submit an annual report containing at least the following:
 - a. Consolidated financial position report includes: financial statements at

the end of the period, annual balance sheet, comprehensive income statements during the period, consolidated other comprehensive income, cash flow statements during the period, statements of equity changes during the period, and notes to the financial statements;

- b. Reports on the Company's activities;
- c. Report on the implementation of Social and Environmental Responsibility;
- d. Issues that arose during the financial year that affected the Company's business activities;
- e. Report on the supervisory duties that have been carried out by the Board of Commissioners;
- f. Names of members of the Board of Directors and members of the Board of Commissioners;
- g. Salaries and allowances for members of the Board of Directors and salaries or honorarium and allowances for members of the Board of Commissioners of the Company for the previous year.

B. Financial Policy

- 1. The Company's finance is managed professionally, transparently, and based on the precautionary principles;
- 2. Procedures, policies, and regulations related to financial management are prepared by considering accounting standards, laws and regulations;
- 3. The Company creates a good internal control system to ensure the creation of optimal financial management;
- 4. Financial management aims to maximize the Company's value through the implementation of work programs based on cost leadership or cost consciousness principles;
- 5. The Company conducts risk analysis and its mitigation steps.

C. Financial Organizing

- 1. Financial planning is carried out in an integrated manner referring to the Company's strategy and considering the interests of all work units.
- 2. The preparation of the budget is conducted based on work programs and through coordination among work units to synchronize the budget proposals from each work unit using bottom-up and top-down principles;

3. Management sets realistic revenue and expense targets to be achieved by the Company for the budgeting preparation in the Company's operational units.
4. The Company applies budget discipline and work plans;
5. Changes in work plans and budgets must go through determined procedures/provisions;
6. Each work unit is responsible for financial management to the executive of the Company;
7. Unit leader monitors and evaluates the realization of the determined budget.

D. Financial Reporting

1. The Board of Directors is responsible for preparing financial statements according to accounting standards and applicable laws in Indonesia;
2. Financial Statements must be available on time according to the determined reporting period;
3. The Board of Directors sets accounting policies/standards under the Company's operations and based on applicable accounting standards.
4. Accounting policies must be applied consistently and ensure that accounting policies and procedures have been implemented under applicable regulations;
5. Monthly financial reports approved by the Director of Finance and Risk Management, and the audited annual financial statements approved by the Director of Finance, Risk Management, and President Director, are sent to the holding Company to be consolidated with the financial statements of other subsidiaries.

6.7 PERFORMANCE REPORTING

To implement GCG practices, the Company's performance reporting consistently considers the following provisions as part of the Company's performance management:

A. Performance Management Policies

1. Performance management is an effort to create a mutual understanding of the work objectives to be achieved, the efforts required to achieve them, and the related rules in the implementation process;

2. The contemplated performance includes the performance of the Board of Commissioners, the Board of Directors, and management;
3. Performance achievements are used by Shareholders to assess the performance of the Board of Commissioners and the Board of Directors, and used as the basis for the remuneration system through the GMS;
4. The Company must formulate an objective and recorded performance assessment system for units and employees which can be used as the basis for awards, guidance, and the calculation of employee remuneration through a Management Contract;
5. Performance management includes performance targets set for the one-calendar year period, described by the Board of Directors into performance targets for work units and ultimately, individual performance targets;
6. The Company develops and evaluates performance assessment system and remuneration systems to stay updated with the current developments;
7. Performance reporting is a delivery of information on business activity achievement results including the progress toward planning achievement;
8. For accuracy and timeliness of adopting a resolution of the Board of Directors, the Board of Commissioners, and management, performance reports must be made transparently and comprehensively.

B. Annual Performance Report

1. The Company's Annual report is prepared and completed according to/considering the deadline of the Holding Company's Annual Report;
2. The Annual Report is evaluated by the Board of Commissioners before being delivered to the GMS for its validation;
3. The Annual Report is signed by the Board of Directors and the Board of Commissioners, and if any member does not sign it, the reason must be stated in writing;
4. Annual report, at least includes the following;
 - a. The year-end balance sheet of the current year in comparison with the previous year, income statement for the relevant financial year, cash flow statement, and statement of changes in equity, as well as notes to the financial statements;
 - b. The Company's main activities and their changes during the financial year;

- c. The implementation of social and environmental responsibility;
- d. Details of problems that arose during the financial year that affected the Company's activities;
- e. Report on the supervisory duties that have been carried out by the Board of Commissioners during the current financial year;
- f. Description of the membership of the Board of Directors and the Board of Commissioners;
- g. Salaries, facilities, and/or other allowances for members of the Board of Directors, as well as honorarium, facilities, and/or other allowances for members of the Board of Commissioners.

6.8 AVOIDING CONFLICT OF INTEREST

To implement GCG practices, the Company consistently ensures that no conflicts of interest arise by considering the following provisions as part of the adoption of resolution process:

A. General Provisions

1. A conflict of interest, in general, is a conflict where a personal or group has an interest that is conflict with the Company's interests, leading to subjectivity in adoption of resolution and Company management;
2. In adopting resolution and carrying out responsibilities in the Company, members of the Board of Commissioners, the Board of Directors, and all employees must remain free from conflicts of interest, prioritizing the Company's interests above personal, family, or other economic interests;
3. In discussions and adoption of resolution processes involving a conflict of interest, the involved party is not permitted to participate;
4. Each member of the Board of Commissioners, the Board of Directors, and employees with adoption of resolution authority make a statement that they do not have conflict of Interest regarding every decision made and that they have carried out the Company's code of conduct.

B. Occurrence of the Conflict of Interest

1. Conducting transactions and/or using the Company's assets for personal, family, or group interests;
2. Receiving and/or giving gifts/benefits in any form related to its capacity within the Company;
3. Utilizing the Company's confidential information and business data for

interests outside the Company;

4. Being directly or indirectly involved in managing a competing company and/or a partner or prospective partner company.

C. Disclosure of the Conflict of Interest

1. Members of the Board of Directors and the Board of Commissioners are required to disclose and complete a conflict of interest form regarding any situations/conditions indicating a potential conflict of interest;
2. Employees must report any situations/conditions indicating a potential conflict of interest to the Board of Directors through their superiors in a hierarchical manner.
3. The Board of Directors shall investigate situations/conditions indicating a potential conflict of interest and take appropriate action to resolve the issue.
4. Employees with a conflict of interest must disclose it by completing a conflict-of-interest form or conflict of interest.

6.9 INTEGRITY IN BUSINESS ACTIVITIES AND WORKS

The Company implements ethical standards in all business activities based on GCG principles outlined in the Company's policies, all work units at the Head Office, Area office, and Regional Office down to operational levels are required to conduct socialization of this GCG Guide to maintain honesty, integrity, and fairness in all business activities within each work environment.

The Company prohibits all ranks of the Company including the Board of Commissioners, Board of Directors, all work units at the Head Office, Area Office, and Regional Office, as well as related parties from conducting transactions violating the law and GCG principles.

The Company applies a supervisory function through audits based on proper and generally applicable principles, and consistently ensuring that violations of applicable norms and regulations are subject to sanctions, whether administrative or legal. Each work unit is required to follow up on each audit findings reported by the supervisory function.

The Company's policies for maintaining integrity in business activities and works include:

1. All individuals and Company's bodies within the Company must always comply with the applicable laws and regulations wherever the Company operates;
2. The Company consistently ensures that information is obtained through legal

manner, stored, and used in accordance with the applicable ethical principles;

3. The Company avoids illegal actions, use of unfair practices, and fraudulent behavior in generating profits;
4. All ranks of the Company must prioritize the Company's interests and avoid conflicts of interest.

A. GCG Integrity Pact

The Integrity Pact is a commitment from the management or executive of the Company to implement GCG within the Company. The Integrity Pact contains the management's commitment or a statement of promise to carry out all tasks, duties, and responsibilities with honesty, and trustworthiness, avoiding conflicts of interest, and adhering to anti-corruption, anti-collusion, anti-nepotism, and anti-bribery principles. The Integrity Pact module is part of the GCG implementation in operational activities including detailed guidelines on what employees and management of the Company may or may not do under applicable regulations. The module is related to regulating the rewards granted to employees or high-performing employees, as well as the sanctions (punishment) that must be imposed if there are violations of the integrity pact. The implementation of the integrity pact starts from Top Management, down to officials below the Board of Directors, and extends to lower-level employees.

Benefits of the Integrity Pact:

1. Preventing the emergence of corruption, collusion and nepotism practices;
2. Improving the Company's organizational performance shown by satisfying key performance indicator.
3. Creating a conducive work environment;
4. Improving the Company's value;
5. Improving the credibility of the Company's management;
6. Improving the positive image in the public eyes.
7. The GCG Integrity Pact in the form of CoC (Code of Conduct) for all Company management, employees, subsidiaries and parties associated with the Company is carried out annually.

6.10 IMPLEMENTATION OF BUSINESS JUDGMENT RULE

In order to implement GCG practices, the Company applies Business Judgment Rule principles to the Board of Directors, the Board of Commissioners, and/all employees of the Company in the event of resolution or action made by the Board

of Directors, the Board of Commissioners and/or the Company's employees result in losses to the Company, according to the applicable laws and regulations, as well as the Articles of Association, the Board of Directors, and/or the Company's employees cannot be prosecuted for any losses arising from the said resolution or action as long as the Board of Directors, the Board of Commissioners and/or the Company's employees can prove that their actions were in line with laws and regulations, and followed the Company's internal Standard Operating Procedure (SOP) regarding the policy adopting. This is to demonstrate that the losses arising from adopted policies are a result of business risks, not criminal actions conducted with malicious intent.

With reference to the Business Judgment Rule, the Board of Directors, the Board of Commissioners, and employees of the Company must consider and take into account the necessary doctrine of the Business Judgment Rule before conducting or approving any actions, as follows:

1. Categories of Adopted Resolution or Action
 - a. The Board of Directors, the Board of Commissioners, and/or employees of the Company who adopt resolution or take action has the authority in accordance with the provisions of laws and regulations, the Articles of Association, and the Company's internal regulations;
 - b. The Board of Directors, the Board of Commissioners, and/or employees act in good faith and in compliance with binding and mandatory regulations. In the event that the regulations do not contain specific and/or explicit requirements and provide direction, the use of discretion is generally qualified as the business decisions or actions.
2. The adopted resolution or action must be made without improper influence (free from personal conflict of interest who makes resolution or any special actions or relationships and other interests (individual, political, commercial, or others that need to be disclosed).
 - a. Referring to the applicable laws and regulations regarding the procedures to conduct transactions containing conflict of interest;
 - b. The resolution or action must not contain fraud elements, abuse of authority and positions as a Director, the Board of Commissioners and/or employees of the Company, and no personal gain should be obtained from the decisions taken by the Director, the Board of Commissioners and/or employees of the Company involved;
3. There must be sufficient information for the Board of Directors, Board of Commissioners and/or employees of the Company when adopting a resolution or taking an action.
 - a. In adopting a resolution or taking an action, it must be based on

consideration and sufficient information, accountable and rational data, and free from negligence, fraud, or abuse of authority and position resulting in personal gain for the Board of the Directors, Board of Commissioners and/or employee of the Company involved.

- b. Sufficient information does not mean the necessity to gather all information. The criteria for sufficient information depend on the time, nature, size, potential risks related to the decisions or actions, the Company's financial standing, and market position. The more sources/bases/references available, the more appropriate the decisions made or actions taken which potentially impact the Company's financial welfare or decision made are not in accordance with the Company's habits if compared to decisions that are more standard or have minimal impact.
 - c. Documentation: the adoption of resolution process must be documented well, including minutes of meeting, conversation, discussions that can show the process and how decisions are made from the beginning to the end. Although completeness documentation can cause high costs, if the business decision which will be made has business risk and/or can cause business risk in the future, completeness documentation will be strong evidence for the business decisions made.
4. The Board of Directors, the Board of Commissioners, and/or employees of the Company who makes resolution or conduct any actions have considered the Company's best interest.
- a. If the Board of Directors, the Board of Commissioners, and/or employees of the Company have sufficient information and free from improper influence of any parties, the Board of Directors, the Board of Commissioners, and/or employees of the Company can make the best resolution for the Company's interests. Such actions can only be categorized as Business Judgment Rule if there is no malicious intent in the adoption of resolution process and/or actions taken.
 - b. If there is no malicious intent in the adoption of resolution process, the Board of Commissioners, and/or employees of the Company must also be able to demonstrate a rational justification (without ambiguity and open to multiple interpretations) for the decisions made. This rational justification includes the consideration of risk mitigation for the decision or action being taken.
 - c. If required, the Board of Directors, the Board of Commissioners, and/or employees of the Company in the adoption of resolution process can use professional opinion from an independent third party who expresses that there are no elements of personal conflict of interest and gains to be gained by the individual and any members of the Board of Directors, the Board of Commissioners and/or employees of the Company in providing

their opinion or expressing the fairness of the related transactions.

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CHAPTER VII

RELATIONSHIP GOVERNANCE WITH STAKEHOLDER(S) PARTIES

The implementation of GCG concerning the interests of Stakeholder(s) that must be maintained, including shareholders, employees, customers, the Company's business partners, government and regulators, the public/local community, and the media. Stakeholder(s) satisfaction is a key instrument in maintaining the Company's reputation.

7.1 GENERAL POLICY

1. The management of Stakeholder(s) is directed towards the company's business interests while considering the Company's social responsibility, occupational health, safety, and environment, and takes into account the scale of priorities and mutual respect to achieve a balance and harmony between:
 - a. The business dimension which is oriented to the value creation and customer satisfaction;
 - b. The social dimension which involves business ethics and the Company's social responsibilities, health and safety conditions, worker welfare, and social community aspects.
 - c. The environmental dimension guides the Company to consider aspects of sustainability and environmental balance around operational units/business fields.
2. The management of Stakeholder(s) is based on GCG principles including transparency, accountability, responsibility, independence, and fairness. The rights and participation of Stakeholder(s) include:
 - a. Stakeholder(s) rights can arise legally due to implementing the laws and regulations, contract agreements, or due to ethical/moral value and social responsibility of the Company which do not conflict with the Company's policies and the applicable laws and regulations;
 - b. Stakeholder(s) rights are respected, protected, and fulfilled by the Company, including through providing relevant and important information transparently, accurately, timely, and through healthy and ethical communication mechanisms;
 - c. The Company creates conditions that allow Stakeholder(s) to participate in complying with the applicable laws and regulations;
 - d. The Company has a mechanism to accommodate and follow up suggestions and complaints from Stakeholder(s).
3. The Company must respect the rights of stakeholders including those arising from the provisions of laws and regulations and or agreement made by the

Company with other parties.

7.2 RELATIONSHIP GOVERNANCE WITH SHAREHOLDERS

The Company will treat Shareholders fairly according to the applicable laws and regulations. Shareholders holding shares of the same classification will receive equal treatment and can use their rights according to the Articles of Association and the applicable laws and regulations.

Each Shareholders has the right to cast votes in accordance with the classification and number of shares owned by them. Each Shareholders has the right to receive complete and accurate material information about the Company, except for information where the Board of Directors has justified legal reason not to disclose it.

The Company rejects any interference from Shareholders in the Company's operational activity which are the responsibility of the Board of Directors according to the provisions of the Articles of Association and the applicable laws and regulations.

The Company will strive hard to achieve sustainable growth for the Company, in order to provide optimal contribution to the Shareholders.

The determination of dividends is made by the Shareholders in the General Meeting of Shareholders. The distribution of dividends is based on the interests of the Company, considering factors such as business continuity, ongoing and upcoming strategies, as well as investment plans.

7.3 RELATIONSHIP GOVERNANCE WITH EMPLOYEES

The Company has a commitment to treat all employees, both permanent employees and contract employees according to their rights and obligations regulated in the applicable laws and regulations.

The Company implements a management system of Human Capital according to principles of transparency, fairness, motivation, and freedom from bias related to ethnicity, origin, gender, religion, education, and birthplace, as well as factors unrelated to performance. The Company also acknowledges the rights and obligations of employees under matters regulated in the applicable laws and regulations.

The Company always develops and improves the quality of employee assets which is a main asset in the Company by realizing "Human Capital Development". Therefore, the development and improvement of human resources quality in the Company are an important thing for the sustainability of the Company.

Employee coaching and development is always carried out by the company based on the Company Culture, Company Policy, and Company Regulations. The

Company also guarantees that these regulations comply with GCG standards. The Company continues to implement practices based on GCG principles despite differences in religion, culture, traditions, customs, employee conditions, and local regulations.

Policies regarding employees and industrial relations include:

1. Providing good, safe, and conducive working conditions and not taking any action to oppress subordinates or bullying;
2. Performing job arrangement to motivate and empower employees;
3. Providing opportunities for employees to participate in education and training that is in line with the Company's competencies and needs;
4. Improving employee discipline to comply with established rules and policies;
5. Applying rewards and punishments fairly according to employee performance or level of error;
6. All employee governance activities (employee welfare, healthy competition, provision of work facilities and infrastructure) are regulated in the Collective Labor Agreement (PKB) and are implemented consistently and with full commitment by employees and the Company;
7. Providing legal counsel to employees at every stage of the legal process relating to their duties and responsibilities in the Company which are not complaints from the Company;
8. Building personal relationships between employees that are close and amicable.

7.4 RELATIONSHIP GOVERNANCE WITH CUSTOMERS

Customers are viewed as the Company's main Stakeholder(s), where both need each other to ensure long-term business continuity. For this reason, the Company will act fairly, and transparently and always produce quality products and services at competitive prices.

The Company always carries out continuous promotion in a healthy, fair, honest, and non-misleading manner and is accepted by community norms.

The Company always ensures that the services and application content offered to Customers do not violate the applicable norms, religion, social ethics, and regulations.

The Company guarantees that customers receive content on time and according to their choices, not through hidden (tricky) coercion of the sale of content services.

Secure, fast, reliable, and high-quality network services, reaching all regions of Indonesia from city centers to remote areas, and ensuring an accurate charging system will always be provided by the Company.

The Company provides consumer services and follows up on customer complaints according to customer segmentation in order to provide the best service, with easy accessibility through all channels owned by the Company.

The Company will always maintain customers through effective customer relationship programs, which are under customer segments/criteria.

The Company seeks to protect customers from crimes and fraud committed by third parties.

7.5 RELATIONSHIP GOVERNANCE WITH BUSINESS PARTNERS

Business Partners are viewed as important Stakeholders by the Company, where both parties need each other to achieve their respective business goals. For this reason, the Company will act fairly and transparently towards all business partners by building partnerships and conducting continuous coaching.

In conducting relations with business partners, the Company shall pay attention to economic benefits and cost efficiency under Company policies, norms, and business ethics to avoid conflicts of interest and acts of self-enrichment. On the other hand, the Company also demands that its Business Partners be responsible for fulfilling the obligations stated in the cooperation agreement, and strive to provide the best results for the Company.

The Company's Business Partners include Interconnection & International Roaming Partners, Content Providers, Dealers, Vendors, Consultants, Rental Services, Suppliers, banking partners, synergies, groups, and other partners. Relationship governance with the Company's Business Partners includes the following matters:

1. Wholesale Business Partners (Interconnection, International Roaming & Content Provider)
 - a. The Company always acts transparently and fairly with its business partners by presenting accurate transaction data, both for what will be billed and what will be paid;
 - b. The Company continuously monitors settlement reconciliation to avoid fraud.
2. Business Partners for Procurement of Goods and Services (Vendors, Suppliers, Consultants, Rental Services)

The Company is always consistent with the provisions of a fair, transparent, and responsible procurement process based on ability, expertise, experience, work performance, and having a good track record. However, the Company also provides opportunities for potential new Business Partners and prioritizes domestic Business Partners.

3. Dealer Business Partners

The Company always acts transparently and fairly with its business partners through mutually beneficial business cooperation.

- a. The Company always provides cards & vouchers on time for customer convenience and satisfaction.
- b. To ensure the Dealer's performance and to avoid fraud, the Company continuously monitors the Dealer's performance and obligations as stated in the contract,

The Company is committed to always fulfilling its obligations in order to achieve the objectives of a conducive Partnership cooperation and to achieve procurement objectives in accordance with the agreed contract, making payments on time, understanding the difficulties of business partners and helping to find solutions, and following up on complaints and objections from the procurement process. On the other hand, the Company also applies strict sanctions for violations of contractual obligations or for fraudulent acts/deeds.

The Company also takes a firm stance towards employees in complying with the Code of Conduct, one of which regulates gifts and donations as well as gratuities which are not permitted by business ethics and law. This is intended to avoid unfair decision-making that favors the Business Partner.

7.6 RELATIONSHIP GOVERNANCE WITH GOVERNMENT AND REGULATORS

It is the Company's policy to develop and maintain good relations and effective communication with the Government and Regulators who have authority in the field of Telecommunications and Informatics within the tolerance limits permitted by law.

Every relationship with Government officials and or Regulators applies best practice standards and shall be maintained as an objective and fair relationship and deviations shall be avoided.

The Government and Regulators are viewed as important Stakeholders by the Company, where both need each other to achieve the best service for the community. For this reason, the Company will comply with the applicable laws and regulations, as well as the obligations included in the operator's license. The government will be assisted by the Company in realizing the provision of telecommunications and internet access to all regions of Indonesia from cities to

remote areas in accordance with the quality required by the Government.

The Company is committed to preparing Financial Reports in accordance with PSAK that are accurate, timely, reliable, complete, and objective under the Company's conditions.

The Company is committed to being transparent in reporting and information on matters of fulfilling obligations to the Rules and Regulations which include, among others, service quality, obligations to pay usage rights fees (BHP), payment of taxes and USO service bills, as well as other information required by the Government or Regulator. The Company is committed to avoiding fraudulent or embezzlement acts that could harm Government revenues.

Thus, the Company will always comply with the relevant regulations and laws relating to the Company's operations. This includes, among others: Limited Liability Company Law, Consumer Protection Law, Labor Protection Law, Environmental Law, and Decrees of the Minister of Communication and Information related to the provision of Telecommunication & Information services, as well as other laws or regulations required by the Government.

The Company will also always follow technical regulations regarding the use of frequency spectrum, technical specifications, and regulations related to interconnection.

The Company is committed to assisting the State in matters of State Defense and Security, which is realized by providing assistance in matters of investigation and prosecution of criminal law cases, corruption, terrorism, drugs, and other state defense in accordance with the provisions of the applicable regulations.

The Company's communication with the Government and Regulators shall be carried out within the applicable legal corridor, in an ethical manner containing the Company's Ethical values contained in the Code of Conduct and not in conflict with the applicable laws and regulations.

7.7 RELATIONSHIP GOVERNANCE WITH THE COMMUNITY/LOCAL COMMUNITY

The community is viewed as an important partner for the Company, where both parties need each other to achieve the interests and goals of each party. The community needs Telecommunications and Telematics services as means to meet their daily needs. On the other hand, the Company needs public trust to continue using the Company's services.

The Company is fully aware that wherever the Company operates, it always deals with the surrounding community which has different characteristics. Therefore, maintaining good relations and developing the surrounding community is a commitment held by the Company which is the main foundation for the Company's long-term success.

The Company adheres to the principle as a form of partnership between the Company and the Community, including adapting to the development of the noble cultural values of the surrounding community.

The Company actively participates in helping community development to improve its positive image in the community as a sense of the Company's social responsibility which is realized through risk-based and targeted, effective Local Community/Corporate Social Responsibility (CSR) management, through community empowerment to improve the quality of life of the local community.

The Company is committed to implementing CSR programs that can educate the community to understand how to use telecommunications services wisely for educational purposes and improve the quality of life.

The Company is committed to supporting social activities that prioritize environmental sustainability in implementing CSR programs, including providing education to the community regarding the importance of preserving the environment, as well as helping to maintain environmental sustainability.

7.8 RELATIONSHIP GOVERNANCE WITH MASS MEDIA

The Mass Media is viewed as an important partner for the Company, where both parties need each other to achieve their respective business goals, by maintaining a positive reciprocal relationship between the Company and the Media in order to maintain the Company's image and reputation.

The Company proactively communicates with the mass media to expose news about the Company and publish balanced information and clarify, among others, about products, services, ongoing improvements and emerging issues.

Information about customer complaints and questions is also proactively sought by the Company, both through mass media and online media. The Company fairly, professionally and transparently follows up and responds to customer complaints and questions submitted in a timely manner.

CHAPTER VIII

GOVERNANCE OF SUBSIDIARIES AND/OR ASSOCIATED COMPANIES

8.1 ESTABLISHMENT OF SUBSIDIARIES AND/OR ASSOCIATED COMPANIES

1. The establishment of Subsidiaries and/or Associated Companies is intended to:
 - a. improve the efficiency and effectiveness of the Company's operations; and
 - b. carry out special assignments to support the interests of shareholders while still paying attention to the Company's purposes and objectives.
2. The implementation of establishment of Subsidiaries and/or Associated Companies refers to the applicable laws and regulations, the Articles of Association, and the Company's internal provisions.

8.2 ACTIVITIES SUPPORTED BY THE COMPANY FOR SUBSIDIARIES AND/OR ASSOCIATED COMPANIES

1. Activities supported by the Company may be carried out in accordance with the business license held by the Company, taking into account the provisions applicable to the Company, including applicable laws and regulations.
2. Activities supported by the Company may be carried out by the Company, either paid or unpaid, under the agreement between the Company and its Subsidiaries and/or Associated Companies while still referring to the Company's applicable policies.
3. The types of supported activities (Value Creating Activities) that can be provided by the Company consist of:
 - a. Financial Advantage
 - b. Business Synergies
 - c. Strategy Development
 - d. Corporate Functions and Resources (Support Services)
 - e. Operational Engagement

8.3 APPOINTMENT AND TERMINATION OF BOARD OF DIRECTORS AND BOARD OF COMMISSIONERS OF SUBSIDIARIES AND/OR ASSOCIATED COMPANIES

1. Appointment and Termination of the Board of Directors of Subsidiaries and/or Associated Companies
 - a. The appointment and termination of the Board of Directors of Subsidiaries is carried out by the GMS of Subsidiaries and/or Associated Company.

- b. The proposal of candidates for members of the Board of Directors of Subsidiaries and/or Associated Companies by the Board of Directors of the Company, which in this case represents the Company as a shareholder, is carried out provided that the position of the Board of Directors is filled by employees of the Company with a minimum level of band 4 (four) in the Company or equivalent in accordance with the Company's policy.
 - c. The proposal of candidates for members of the Board of Directors of Subsidiaries and/or Associated Companies as referred to above is carried out while still taking into account the Company's applicable internal policies.
- 2. Appointment and Termination of the Board of Commissioners of Subsidiaries and/or Associated Companies
 - a. The appointment and termination of the Board of Commissioners of Subsidiaries and/or Associated Companies are carried out by the GMS of Subsidiaries.
 - b. The proposal of candidates for members of the Board of Commissioners of Subsidiaries and/or Associated Companies by the Board of Directors of the Company, which in this case represents the Company as a Shareholder, is carried out provided that the Position of the Board of Commissioners is filled by employees of the Company with a minimum level of band 5 (five) in the Company or equivalent in accordance with the Company's policy.
 - c. The proposal of candidates for members of the Board of Commissioners of Subsidiaries and/or Associated Companies as referred to above is carried out while still taking into account the Company's applicable internal policies.

8.4 PERFORMANCE MONITORING OF SUBSIDIARIES AND/OR ASSOCIATED COMPANIES

In general, matters that need to be monitored in the Governance of Subsidiaries and/or Associated Companies include, but not limited to:

- a. Periodic reports on synergistic activities between the Company and Subsidiaries and/or Associated Companies to be submitted to the Company's Management periodically or whenever needed;
- b. Preparation of business plans for Subsidiaries and/or Associated Companies;
- c. Preparation of RKAP for Subsidiaries and/or Associated Companies;

- d. Monthly financial reports which form the basis for accounting calculations for the Company's monthly financial reports;
- e. Realization of the achievement of the current year's RKAP from Subsidiaries and/or Associated Companies (if necessary) periodically, including but not limited to the achievement of business targets, financial aspects of Subsidiaries and/or Associated Companies, and other aspects that are deemed to require special attention;
- f. Compliance with the fulfillment of legal provisions related to business permits/licenses of Subsidiaries and/or Associated Companies in carrying out their business.

8.5 BUSINESS SYNERGY BETWEEN THE COMPANY AND ITS SUBSIDIARIES AND/OR ASSOCIATED COMPANIES

To increase value creations (business performance, synergy value, valuation/capital gain), the Company can collaborate with Subsidiaries and/or Associated Companies which are outlined in a commercial or non-commercial cooperation with the aim of mutual benefit under the Company's applicable policies.

CHAPTER IX

INFORMATION AND DATA SYSTEM GOVERNANCE

9.1 OBJECTIVES OF INFORMATION SYSTEM AND DATA GOVERNANCE

In order to ensure that the Company's information and data system implementation is properly managed, the Company's Information and Data System Governance needs to be implemented. Information and data system governance aims to:

- a. Build an integrated and comprehensive data and information management system;
- b. Ensure that relevant Company Data and Information has been utilized and optimized in accordance with the Company's objectives;
- c. Establish, agree, communicate, and implement data and information management principles, policies, procedures, metrics, tools, and responsibilities; and
- d. Maintain the compliance with applicable policies and rules regarding the use of Data and Data Management activities.

9.2 PRINCIPLES OF INFORMATION AND DATA SYSTEM GOVERNANCE

Information and data system governance is structured based on the following principles:

- a. Legal Certainty and Compliance:
The Company complies with applicable laws and regulations regarding Data/Information management, and provides legal certainty and protection for the Board of Commissioners, Board of Directors and/or employees in managing the Company's Data/Information;
- b. Confidentiality and Security:
The Company's Data/Information Security is stored properly, including protection against loss, damage, or misuse by irresponsible parties;
- c. Accuracy:
ensure the update of the Company's Data/Information so that it can be useful for the development of services developed from time to time by the Company;
- d. Compatibility:
ensure the appropriateness of the collection of Data/Information collected by the Company for a specific purpose; and
- e. Accessibility:
ensure access arrangements for collecting, processing, storing, correcting, displaying, and deleting Company's Data/Information.

9.3 INFORMATION TECHNOLOGY MANAGEMENT IN THE COMPANY

The Company also needs to manage the Information Technology owned by the Company, including the followings:

1. The Board of Directors prepares and establishes information technology governance guidelines, the implementation of information technology governance takes into account, at least including:
 - a. management principles;
 - b. data and information principles;
 - c. technology principles; and
 - d. information technology security principles.
2. Information technology governance guidelines pay attention to aspects of strategic alignment, added value of information technology implementation, risk management, resource management, and performance measurement.
3. The Board of Directors evaluates the information technology governance guidelines and can make changes in the information technology governance based on the results of the evaluation contemplated.

The Company uses its best efforts to comply with applicable laws and regulations regarding data management. The Company in managing data shall pay attention to every process starting from:

- (i) acquisition and collection;
- (ii) processing and analysis;
- (iii) storage;
- (iv) correction and updating;
- (v) display, announcement, transfer, dissemination, or disclosure and
- (vi) deletion or destruction;

The Company is obliged to maintain and store its Data/Information security and confidentiality properly, including providing protection against loss, damage or misuse by irresponsible parties. The collection and processing of Company's Data/Information shall be carried out in a limited and specific manner in accordance with its objectives.

CHAPTER X

IMPLEMENTATION OF THE COMPANY'S GCG IMPLEMENTATION

The implementation of good corporate management is by building a governance system that has the meaning of building several systemic elements in the Company that support each other and are integrated so that the implementation of GCG is realized according to the vision and mission.

GCG will be able to run effectively if there is an understanding of all parties regarding the vision, mission, and objectives of GCG. This is done through the development of an internal environment throughout ranks of the Company. In addition, it is necessary to build resources and systems that will carry out the GCG process and carry out the stages of the GCG process continuously and consistently.

10.1 INTERNAL ENVIRONMENT DEVELOPMENT

As stated in Chapter III, the Company needs to build a serious commitment to the implementation of GCG, starting with a commitment from top-level management, namely the Board of Commissioners, Board of Directors, and all employees. Priorities that need to be done include:

1. Dissemination, awareness and understanding of the philosophy and benefit of GCG for the Company so that awareness and desire to implement GCG are arisen;
2. Building "championship" by each Director which is then passed down in a chain throughout the organization;
3. Execution of the GCG Commitment Declaration and Integrity Pact by the Board of Commissioners and Board of Directors;
4. Making a written declaration regarding gratification and announcing it to the mass media;
5. Creating a GCG vision and mission and translate it into the Company's GCG road map.

10.2 PROVISION OF RESOURCES AND ESTABLISHMENT OF GCG SYSTEM

A. GCG Organization

The establishment of a GCG organization, namely the GCG Committee as a supervisor and controller of GCG implementation and the GCG Unit as the operational performer of GCG, needs to be carried out to achieve the vision and mission and effective implementation of GCG.

1. GCG Committee

The GCG Committee is an Organ under the Board of Commissioners, which is tasked with ensuring that GCG implementation is effective and carried out consistently. This is done by providing directions and policies related to the Company's GCG, if necessary, monitoring and evaluating the implementation of GCG and implementing corrective actions.

a. Composition of GCG Committee

Consisting of a Chairman and at least two members with the following composition:

- i. The Chairman of the GCG Committee is the President Commissioner;
- ii. The members of the GCG Committee who come from within the Company consist of the Board of Commissioners/Supervisory Board of the Parent BUMN and members of the Board of Commissioners;
- iii. Other Committee members and assigned to assist the GCG Committee;
- iv. The Chairman and members of the GCG Committee are appointed and terminated in accordance with applicable provisions.

b. Requirements for GCG Committee Members

GCG Committee members shall meet the following requirements:

- i. Have high integrity and dedication, master the skills, have knowledge and experience required in carrying out tasks;
- ii. In carrying out the duties, commit to working seriously and providing the necessary time and energy;
- iii. Have adequate knowledge and understanding of the laws and regulations relating to the Company;
- iv. Able to communicate with fellow Members and build networks with the Company's organizational units related to the implementation of GCG;
- v. Have no personal interests/connections that could cause negative impacts and conflicts of interest for the Company;
- vi. Not concurrently holding the duties of the Company's Audit Committee and/or GCG Committee in other Companies;
- vii. Provide a written statement to work in accordance with GCG principles in carrying out the duties as a member of the GCG Committee.

c. Work Period of GCG Committee Members

Committee members are appointed and terminated with the work period of 3 (three) years, the period of membership of which may be extended without reducing the right to terminate at any time.

- d. GCG Committee Meeting
 - i. To discuss the effectiveness of the committee's work and the effectiveness of the Company's GCG implementation, the committee may hold routine and incidental meetings;
 - ii. The Company holds committee meetings at least once a quarter.
- e. Duties and Responsibilities of the GCG Committee

The duties and responsibilities of the GCG Committee in detail are as follows:

 - i. Monitor the implementation and evaluate the results of periodic assessments on the implementation of GCG to ensure the effectiveness of the role of the GMS organs, Commissioners and Directors, and supporting organs in enforcing GCG, namely the Corporate Secretary, Commissioner Secretary, Internal Audit, Audit Committees, and other Commissioner Committees;
 - ii. Provide recommendations on improving the Company's GCG system and completeness and monitor its implementation, especially with regard to:
 - a) Corporate Governance Guidelines;
 - b) Code of Conduct;
 - c) Integrity Pact Statement
 - d) Board Charter
 - iii. Review work plans and reports on GCG implementation as a part of the Company's Annual Report;
 - iv. In order to be implemented in the Company, a study on GCG best practices shall be conducted;
 - v. Carry out other tasks assigned by the Commissioner related to the development and implementation of GCG.

2. Establishment of GCG Unit

The Company forms a GCG organization or unit where the Corporate Secretary is the leader. The GCG organization is permanent and is responsible to the GCG Committee and the President Director. To carry out its duties, the GCG organization is assisted by an Ad Hoc Team consisting of ERM, Human Capital Management, Legal and Audit functional units as determined by the Resolution of Board of Directors.

The main duties & responsibilities and authorities of the GCG organization are to carry out the stages of the GCG process, namely Design, Implementation and Monitoring as follows:

- a. Design Stage
 - i. Preparing the Company's GCG business processes, systems and tools;
 - ii. Preparing the GCG implementing organization and manning its Human Resource organization;
 - iii. Reviewing and ensuring the effectiveness of existing policies;

- iv. Identifying and formulating GCG policies that do not yet exist;
 - v. Preparing the Company's annual GCG work program.
- b. Implementation Stage
- i. Conducting Dissemination regarding policies and/or regulations related to GCG and binding processes;
 - ii. Carrying out GCG work program activities;
 - iii. Supervision of GCG work program activities is carried out, for example implementation of CoC, effectiveness of Internal Control, Work Ethics and Business Ethics, effectiveness of ERM and others;
 - iv. Coordinating follow-up actions on GCG violations.
- c. Monitoring Stage
- i. Reporting on the Company's GCG activities to the GCG Committee and President Director is carried out;
 - ii. Cooperating with Internal Audit and External Auditors in implementing GCG audits;
 - iii. Reporting GCG policy proposals on GCG findings/deviations to the GCG Committee and President Director;
 - iv. Improving GCG design for deficiencies;
 - v. Conducting Self-Assessment on the GCG implementation;

3. Provision of Budget, Human Resources and GCG System

- a. Allocation of Budget, Human Resources and GCG System
Routine budgeting for GCG operations and special budgets required are carried out by the Company every year for consultant services/professional fees required to improve the quality of GCG output and training & development budgets to improve the competence of GCG units and Company employees as well as budgets for the procurement of GCG tools/systems;
- b. Fulfillment of Human Resources
The Company provides competent human resources in the field of GCG in numbers that are in accordance with needs;
- c. Tools
The necessary IT-based tools are provided by the Company in the Company's GCG implementation process, which aims to accelerate the GCG process, reporting and documentation so that GCG implementation runs effectively and efficiently;
- d. System
The Company provides a system that will bind the parties to carry out the GCG process. This is in the form of rights and responsibilities of the GCG unit, business processes and the implementation of the KPI system to ensure the implementation of GCG in all units.

10.3 IMPLEMENTING GCG STAGES

A. GCG System Planning and Priority Stage

1. Building the System That Doesn't Exist
By creating integrated policies, procedures and systems that have the highest priority of an enterprise nature that support the GCG implementation process effectively, including: Work and Business Ethics, GCG Commitment Declaration, Gratuity, Integrity Pact, Board Manual, Leadership System & Succession Plan, GCG Reporting & Measurement as well as IT Governance and other necessary policies.
2. Making Existing Functions Effective But Not Yet Optimal
Even though the Company already has a number of GCG activities, it is still felt that there is a need to strengthen (empower) business functions. This includes among others:
 - a. Risk Management Function;
 - b. Internal Supervision and Control Function;
 - c. Integrated Business Process Improvement and Clarity of Duties & Responsibilities;
 - d. Building a High-Performance Organization;
 - e. Human Resource Management Function to be able to improve management capabilities and competencies as well as employee engagement;
 - f. Compliance Management Function so that the Company complies with applicable laws and regulations;
 - g. Perfecting the Performance Evaluation System;
 - h. Perfecting the Company's internal Regulations and Policies including consistent implementation of Rewards and Punishments;
 - i. Information security management.
3. Integration of GCG Components
Integrating all GCG components, including preparing a GCG implementation schedule, preparing implementing units, and determining milestones to be achieved.

B. GCG Implementation Stage

1. Running the newly built GCG System
The Company conducts dissemination and carries out new activities as a follow-up to the design of the newly built GCG system, including:
 - a. Dissemination of Resolution of the Company's GCG Board of Directors (KD);
 - b. Dissemination and implementation of Policies related to Work and Business Ethics, Gratification control policies and Policies related to Integrity Pact;
 - c. Effective implementation of Board Manual;

- d. Implementation of Leadership systems and Succession Plan;
 - e. Implementation of Integrated Information System;
 - f. Implementation of Reward & Punishment Policy;
 - g. GCG Reporting and Findings;
 - h. GCG Self-Assessments Implementation;
 - i. Readiness of GCG Audit.
2. Improvements to the existing GCG System are carried out based on the existing GCG component improvement plan, so the Company implements the plan. These include:
- a. Effectiveness of the Enterprise Risk Management Committee
 - b. Effectiveness of the Audit Committee
 - c. Effectiveness of the Capex Committee
 - d. Implementation of Integrated Business Process and Clarity of Duties & Responsibilities
 - e. Improvement of the High Performance Organization Policy
 - f. Empowerment of Risk Management Unit
 - g. Strengthening of Internal Control System
 - h. Strengthening of Internal Audit
 - i. Strengthening of the assessment system of the Framework and Key Parameters for measuring the Company's performance activities
 - j. Empowerment of Rewards & Punishments System
 - k. Strengthening of Compliance Systems
 - l. Empowerment of Business Continuity Management
 - m. Strengthening of Code of Conduct
 - n. Strengthening of Corporate Culture
 - o. Strengthening of Incident Handling
 - p. Strengthening of Procurement Process
 - q. Improvement of Customer Service Supervision & Handling
 - r. Improvement of IT/ Data Governance

C. GCG Monitoring & Assessment Stage

Regarding the implementation of GCG, it is necessary to carry out monitoring and assessment activities regarding the effectiveness of GCG implementation.

1. Monitoring Stage
GCG monitoring activities are the responsibility of the GCG unit which records and reports GCG incidents/deviations and carries out routine reporting on GCG implementation. The monitoring report is addressed to Internal Audit, GCG Committee and President Director;
2. GCG Assessment Stage
GCG assessment activities aim to see how far GCG is effectively implemented. The assessment is carried out by the GCG Unit and periodic GCG audits are carried out by Internal Audit. The GCG assessment report by the GCG Unit and/or Internal Audit is addressed to the GCG Committee and the President Director, the report contains findings/deviations in the

implementation of GCG and recommendations/suggestions for improving GCG.

The scope of the GCG assessment includes the assessment of the Company's policies, management and performance in relation to GCG Governance practices implemented at all levels of transactions that are closely related to the GCG process and GCG organ structure. Assessment includes among others:

a. **GCG Assessment by Internal**

At least once a year, an internal assessment is carried out by the GCG unit. The assessment is carried out by providing a GCG Self-Assessment Check List to the relevant units implementing GCG. The results of the GCG self-assessment are used as material for a comprehensive assessment of GCG implementation during the current year.

b. **GCG Assessment by Internal Audit**

The Company's Internal Audit Unit needs to conduct regular GCG Audits to assess the maturity level of the Company's GCG implementation. The audit implementation is adjusted to the work program priorities of the Internal Audit unit.

c. **GCG Assessment by External Audit**

GCG assessment can be carried out by an Independent Body appointed by the Company to obtain an independent opinion or for the purposes of GCG certification/GCG ranking of the Company at the National level. The GCG Committee in collaboration with the Internal Audit Unit coordinates the external assessments.

Supporting documents for GCG Assessment, in general the documents required and shown as evidence in the GCG assessment process, include:

- i. Annual Report and Periodic Report;
- ii. Articles of Association and By Laws of the Company;
- iii. Laws, Rules and Regulations complied with by the Company;
- iv. GMS Minutes;
- v. Board of Directors Meeting Minutes (RADIR);
- vi. Shareholding Disclosure;
- vii. Major Shareholders and major Creditors;
- viii. Reports/records of penalties, fines or other violations related to abuse of shareholder rights, including pending items;
- ix. Structure and composition of Commissioners and Directors;
- x. Selected External Auditor;
- xi. Major transactions conducted during the last three years (transactions referred to are transactions with a value of more than 10% of the Company's net asset value);
- xii. Shareholding records by the Company;
- xiii. Business policies and processes in each business unit.

10.4 REPORTING OF GCG IMPLEMENTATION VIOLATIONS

Each member of the Board of Commissioners, Board of Directors, existing committees, and employees may submit reports regarding alleged violations of these GCG implementation guidelines to the Company personally through the Company's whistle-blowing system.

The Company guarantees and protects the reporter if the report is clear and logical enough. Important things to note include:

1. The reporter shall clearly reveal his/her identity;
2. The use of anonymous letters (anonymous letters) will be treated only as initial information, where follow-up depends on the Committee's level of confidence in the truth of the substance of the problem reported;
3. No punishment is imposed on the reporting party if the violation occurs unless the person concerned is also involved in the violation. In this case, disclosure of the matter may be a mitigating factor. If the violation occurs and the reporting party is not involved, then the reporting party will be given an appropriate award;
4. The confidentiality of the reporter remains protected unless the disclosure is:
 - a. Required in connection with a report or investigation by the government;
 - b. Required by the Company's legal unit to maintain the Company's position before the Law;
5. The GCG Committee and Audit Committee work together to determine the scope of the complaint to avoid confusion with whistleblower complaints. The scope of the complaint consists of GCG violations and audit violations.
6. The Complaint Facility is not intended as a mechanism for conveying personal complaints that are not related to alleged violations of the Implementation of GCG practices.
7. Provisions regarding the scope of Complaints, requirements and procedures for Complaints further follow the mechanisms regulated in the company's policy regarding the whistle-blowing system.

10.5 ENFORCEMENT OF GCG IMPLEMENTATION

The GCG Unit Team will follow up on any reports regarding alleged violations of GCG guidelines based on orders from the GCG Committee with the knowledge of the President Director. In implementing the follow-up, the GCG Unit Team can coordinate and collaborate with related units. Each unit is required to provide full support to the GCG Unit Team in following up on reports of alleged violations of GCG implementation.

The results of the follow-up by the GCG Unit Team are submitted to the GCG Committee in accordance with its scope and responsibilities. The GCG Unit Team can recommend the formation of a Fact-Finding Team to conduct further investigations into reports of alleged violations of the GCG Implementation Guidelines. The Fact-Finding Team reports the results of the investigation to the GCG Committee and then the GCG Committee will provide recommendations to the President Director regarding sanctions, coaching actions, and/or other relevant



matters for alleged violations of the GCG Implementation Guidelines.

The implementation of GCG enforcement is carried out based on laws and regulations and related policies that the Company already has or will develop.

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CHAPTER XI CONCLUSION

11.1 MISCELLANEOUS

We realize that the Company must be directed to gain profits (profitability) to ensure the continuity of the Company and achieve the Company's objective of becoming the best digital telecommunications service provider in Indonesia, to realize added value for shareholders while still paying attention to the interests of other stakeholders based on laws and regulations and ethical values;

The synergy of every element and part of the Company harmoniously and sustainably is required in implementing good corporate governance to realize the Company's objectives which prioritize the interests of Stakeholders;

The initiative to build Good Corporate Governance (GCG) within the scope of the Company is a joint commitment to be able to provide the best value to the Company's Stakeholders, including:

- a. Providing satisfaction and value to customers;
- b. Creating a healthy and profitable corporation for share owners/Shareholders;
- c. Providing good welfare for all employees;
- d. Becoming a good business partner for all of the Company's business partners;
- e. Becoming a respected and honored competitor;
- f. Becoming a role model in good corporate management;
- g. Be able to provide benefits to society and the country.

11.2 CLOSING PROVISIONS

1. These Corporate Governance Regulations have been reviewed and updated periodically to suit the Company's needs and changes in the business environment;
2. Any changes to the Corporate Governance Regulations shall be made after obtaining approval from the Board of Directors and the Board of Commissioners and shall be submitted to the Shareholders;
3. These Corporate Governance Regulations are declared to be effective as of the date of their stipulation by the Board of Commissioners and Board of Directors;
4. With the enactment of this Regulation, Resolution of the Board of Directors Number 018/CP.01/PD-00/X/2012 Concerning Good Corporate Governance Policy is revoked and declared invalid.

DISCLAIMER

The articles outlined in the GCG Policy available on this website are a transcription of the original document as stated in GCG Policy. Therefore, the uploaded document cannot be considered a valid and legally binding document.

This document is provided solely as a reference and to facilitate access to information for shareholders and stakeholders.

The GCG Policy are drafted in two languages, namely Indonesian and English. In the event of discrepancies in translation, interpretation, or the use of incorrect terms between the two versions, the legally binding reference shall be the original GCG Policy drafted in Indonesian, as recorded in the company's official documents.