LAW OF
THE REPUBLIC OF INDONESIA
NUMBER 1 YEAR 1995
REGARDING
LIMITED LIABILITY COMPANY

BY THE GRACE OF THE ALMIGHTY GOD

THE PRESIDENT OF THE REPUBLIC OF INDONESIA,

Considering:  

a. that the provisions concerning Limited Liability Company as stipulated in the Indonesian Commercial Code (Wetboek van Koophandel, Staatsblad 1847: 23), are no longer appropriate for the increasing development of the economy and business nationally and internationally;

b. that besides the legal entities in the form of Limited Liability Company as stipulated in the Indonesian Commercial Code, at present there are still other legal entities in the form of Indonesian Shares Company as stipulated in the Ordinance concerning Indonesian Shares Company (Ordonantie Indonissche Maatschappij op Aandeelen, Staadblad 1939: 569 jo. 717);

c. that in the framework of creating a legal unity, to meet the legal necessities for new laws which may accelerate national development and to ensure legal certainty and enforceability, the dualism of legislations as referred to in point b needs to be abolished by reforming legislation concerning Limited Liability Company;

d. that the reforming of legislation concerning Limited Liability Company as referred to in point c, must reflect family principles according to the fundamentals economic democracy based on Pancasila and Constitution 1945;

e. that on the basis of the considerations as referred to in points a, b, c, and d, it is deemed necessary to formulate a Law concerning Limited Liability Company;

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

With the approval of
THE HOUSE OF REPRESENTATIVES
OF THE REPUBLIC OF INDONESIA

HAS DECIDED:

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To stipulate: LAW CONCERNING LIMITED LIABILITY COMPANY

CHAPTER I
GENERAL PROVISIONS

Article 1

In this Law:

1. A Limited Liability Company hereinafter referred to as the Company means a legal entity established based on an agreement, conducting business activities with all of its authorized capital divided into shares, and fulfilling the requirements stipulated in this Law and its implementing regulations.

2. Company Body means the General Meeting of Shareholders, Board of Directors, and Commissioners.

3. The General Meeting of Shareholders (hereinafter referred to as the "GMS") is a company body that holds the highest authority in a company, and holds all powers not delegated to the Board of Directors or the Commissioners.

4. The Board of Directors means a company body that is fully responsible for the management of the Company in the best interest and objectives of the Company and represents the company within and outside the courts of justice in accordance with the Articles of Association.

5. The Commissioners means a company body having the tasks of general or specific supervisions and providing advice to the Board of Directors in managing the Company.

6. A public (open) Limited Liability Company is a company in which the capital and number of its shareholders meet certain criteria or a Company that makes a public offering in accordance with capital market laws and regulations.

7. The Minister is the Minister of Justice of the Republic of Indonesia.

Article 2

The activities of the company must be in accordance with its objectives and purposes and must not be contrary to the prevailing laws and regulations, public order, and/or decency;

Article 3

(1) Company's shareholders are not personally liable for agreements entered into in the name of the Company and not liable for Company losses exceeding the nominal value of the shares subscribed.

(2) The provisions as referred to in Paragraph (1) will not apply if it is proven that:
   a. the requirements for company's existence as a legal entity have not been or are not fulfilled;
b. the relevant shareholder either directly or indirectly in bad faith uses the company solely for personal purposes;

c. the relevant shareholder is involved in unlawfully acts committed by the company;

d. the relevant shareholder either directly or indirectly unlawfully uses the company's assets, which causes such company's assets to be inadequate to settle company's debt.

Article 4

This Law, Company's Articles of Association, and other prevailing laws and regulations will apply to the Company.

Article 5

A Company is domiciled in the territory of the Republic of Indonesia, which shall be stated in its Articles of Association.

Article 6

The Company is established for a period as stipulated in the Articles of Association.

CHAPTER II

ESTABLISHMENT, ARTICLES OF ASSOCIATION, REGISTRATION AND ANNOUNCEMENT

Section One

Establishment

Article 7

(1) A Company is established by 2 (two) persons or more by virtue of a notarial deed prepared in Indonesian language.

(2) Each founder of the Company must subscribe shares at the time of establishment of the Company.

(3) If after the establishment of the Company there exists a situation whereby the Shareholder is less than two, within 6 (six) months after this occurrence the existing Shareholder must sell some of his shares to another party.

(4) If after the lapse of the period referred to in Paragraph (3), the Company continues to have less than 2 (two) shareholders, the shareholder will become personally liable for all agreements entered into and losses incurred by the Company, and upon a petition submitted by the concerned party, the District Court may liquidate the Company.

(5) The provision requiring a Company to be established by 2 (two) persons or more as referred to in Paragraph (1), and the provisions as referred to in Paragraph (3) and (4) are not applicable to a company that is a State Owned-Entity.

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(6) A Company obtains a status of legal entity after the notarial deed as referred to in Paragraph (1) (“the establishment deed”) is legalized by the Minister.

(7) In executing the establishment deed, a founder may be represented by his proxy with a power of attorney.

Article 8

(1) The establishment deed contains the Articles of Association and other information, including at least:
   a. the full names, dates and places of birth, occupations, addresses, and citizenship of the founders;
   b. the composition, full names, places and dates of birth, occupations, addresses and citizenship of the members of the Board of Directors and the Commissioners who are appointed for the first time, and
   c. the names of shareholders who have subscribed the shares, details of the number of shares, and the total nominal value or the agreed value of the shares issued and paid-up at the time of establishment.

(2) The establishment deed may not contain:
   a. Provisions regarding fixed interest earning with respect to shares; and
   b. Provisions regarding the granting of personal profit to the founders or another party.

Article 9

(1) To obtain legalization as referred to in Article 7 Paragraph (6), the founders, jointly, or their proxies, shall submit a written application by attaching the deed of the Company's establishment

(2) The legalization as referred to in Paragraph (1) will be granted not later than 60 (sixty) days after receipt of the application.

(3) If the application is rejected, the rejection and the reasons thereof must be given in writing to the applicants within the period as stipulated in Paragraph (2).

Article 10

(1) The founder's legal actions prior to the Company establishment regarding the composition and structure of capital participation and Company shares must be stated in the deed of establishment.

(2) The original document or certified copy thereof of the authentic deed regarding the legal actions as referred to in Paragraph (1) must be attached to the deed of establishment.

(3) If the requirements as referred to in Paragraphs (1) and (2) are not complied with such legal actions will not create any rights nor impose any obligations on the Company.
Article 11

(1) Legal actions committed by the founders in the best interests of the Company prior to the legalization of the Company's deed, shall bind the Company after it becomes a legal entity, if:

a. the Company expressly states that it accepts all agreements entered into by the founders or such other persons authorized by the founders and a third party;

b. the Company expressly states that it will assume all rights and obligations arising out of an agreement entered into by the founders or such other persons authorized by the founders, although the agreement was not made in the name of the Company; or

c. the Company confirms in writing all legal actions taken in the name of the Company.

(2) If the legal actions as referred to in Paragraph (1) are not accepted, assumed or confirmed by the Company, each founder committing such legal actions is personally liable for all consequences.

Section Two
Articles of Association

Article 12

The Articles of Association shall at least contain:

a. the name and domicile of the Company;

b. the purposes and objectives and business activities of the Company in accordance with the prevailing laws and regulations;

c. the duration of the Company;

d. the amount of authorized capital, issued capital, paid-up capital;

e. the number of shares, the classes of shares, if any, the number of shares in each class, the rights attached to the share, and the nominal value of each share;

f. the composition, number and names of the members of the Board of Directors and the Commissioners;

g. the determination of the place and procedures to convene a GMS;

h. the procedures for election, appointment, replacement and discharge of members of Commissioners and Board of Directors;

i. the procedure for profit utilization and distribution of dividends; and

j. other matters as stipulated by this Law.

Article 13

(1) A Company may not use a name that:

a. Has been already lawfully used by another Company or that is identical to the name of another company

b. Is contrary to the public order, and/or decency.
(2) The name of the Company must be preceded by the words "Perseroan Terbatas" (Limited Liability Company) or abbreviated "PT".

(3) In the case of a Public Limited Company, in addition to the provision in Paragraph (2), the abbreviation "Tbk" must be added at the end of the Company's name.

(4) Further provisions concerning the use of a company's name will be further regulated by Government Regulation.

Article 14
(1) Amendment to the Articles of Association is decided by the GMS.

(2) The proposal to amend the Articles of Association must be included in the notice or the announcement to hold a GMS.

Article 15
(1) Specific amendments of the Articles of Association require approval of the Minister, registration in the Company Register and announcement in accordance with this Law.

(2) The specific amendments referred to in Paragraph (1) include (change in):
   a. the name of the Company;
   b. the purposes and objectives of the Company;
   c. the business activities of the Company;
   d. the duration of the Company, if the Articles of Association expressly state a certain time period;
   e. the amount of authorized capital;
   f. the decrease in issued capital and paid-up capital; or
   g. the change in status of the Company from a Private Limited Liability Company to a Public Limited Liability Company or vice versa.

(3) Amendments to the Articles of Association other than the amendments referred to in Paragraph (2) are sufficiently reported to the Minister not later than 14 (fourteen) days after issuance of the resolution of the GMS and registered in the Company Register in accordance with the provisions referred to in Article 21.

Article 16
Amendment to the Articles of Association referred to in Article 15 Paragraphs (1) and (3) must be drawn up in a notarial deed in Indonesian language.

Article 17
(1) Amendments to the Articles of Association referred to in Article 15 Paragraph (2) shall come into effect as of the date of approval.

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(2) Amendments to the Article of Association as referred to in Article 15 Paragraph (3) shall come into effect as from the date of registration.

Article 18
Amendment of the Articles of Association may not occur if the Company is declared bankrupt, except with the approval of the bankruptcy trustee.

Article 19
(1) Application for approval of amendments to the Articles of Association as referred to in Article 15 Paragraph (2) may be rejected if:
   a. it is contrary to the procedure for making amendments to the Articles of Association;
   b. the content of the amendments is contrary to the prevailing laws and regulations, public order and/or decency; or
   c. a creditor made an objection to the resolution of the GMS concerning the decrease in capital.

Article 20
The procedure on submission of an application granting of approvals and rejection of the amendments to the Articles of Association shall be performed in accordance with the provisions as referred to in Article 9.

Section Three
Registration and Announcement

Article 21
(1) The Board of Directors of the Company shall register in the Company Register:
   a. the deed of establishment accompanied by ministerial legalization referred to in Article 7 Paragraph (6);
   b. the deed of amendments to the Articles of Association accompanied by a ministerial approval referred to in Article 15 Paragraph (2); or
   c. the deed of amendments to the Articles of Association accompanied by the report to the minister as referred to in Article 15 Paragraph (3).
(2) The registration as referred to in Paragraph (1) shall be made not later than 30 (thirty) days after the legalization or approval has been granted or after the date of report is filed.

Article 22
(1) A company that has made registration as referred to in Article 21 shall be announced in the Supplement to the State Gazette of the Republic of Indonesia.
(2) An application for an announcement as referred to in Paragraph (1) shall be made by the Board of Directors not more than 30 (thirty) days after the registration.
(3) The procedure to submit an application to make an announcement shall follow the prevailing laws and regulations.

**Article 23**

For so long as the registration and announcement as referred to in Articles 21 and 22 have not been made, the Board of Directors is jointly liable for any action of the Company.

**CHAPTER III**

**CAPITAL AND SHARES**

**Section One**

**Capital**

**Article 24**

(1) The authorized capital of the Company consists of the total nominal value of its shares

(2) The shares as referred to in Paragraph (1) may be issued as registered shares and/or as bearer shares

**Article 25**

(1) The minimum authorized capital of the Company is Rp. 20,000,000,00 (twenty million rupiahs)

(2) Laws of implementing regulations governing certain business sector may determine the minimum authorized capital requirement that is different from the provision referred to in Paragraph (1).

(3) Amendment to the amount of the authorized capital as referred to in Paragraph (1) and the determination of the amount of the authorized capital of a Public Limited Liability Company and its amendments thereof, shall be stipulated by Government Regulations.

**Article 26**

(1) At the time the Company is established, at least 25% (twenty five percent) of the authorized capital referred to in Article 25 must be issued.
(2) For each capital subscription as referred to in Paragraph (1), at least 50% (fifty percent) of the nominal value of each share subscribed must be paid up.

(3) All issued shares must be paid up in full at the time of the Company's legalization by virtue of a valid evidence of payment.

(4) Each further issuance of share must be paid full.

**Article 27**

(1) Payment of the shares may be effected in the form of cash and/or in other forms of payment.

(2) In case the payment of shares is made in other forms referred to in Paragraph (1), the valuation shall be determined by an independent expert.

(3) Payment of shares in form of immovable assets must be announced in 2 (two) daily newspapers.

(4) For Public Limited Liability Companies, each issuance of share must be fully paid up in cash.

**Article 28**

(1) Shareholders who have claims against the Company may not use such right to claims in compensation of their obligation to pay up the share they subscribe.

(2) Certain forms of claims as referred to in Paragraph (1) which may be compensated as paid-up shares, shall be further regulated by Government Regulations

**Article 29**

(1) The Company is prohibited from issuing shares to be privately owned.

(2) The prohibition of share ownership referred to in Paragraph (1) is also applicable for a subsidiary towards the shares issued by its parent Company.

**Section Two**

Protection of Company's Capital and Assets

**Article 30**

(1) A Company may repurchase the shares which have been issued, provided that:
   a. the payment is from net profits in so far as it does not cause the value of the Company's net assets to be less than the issued capital plus the compulsory reserves as stipulated in this Law; and
   b. the total nominal value of all shares owned by the Company and those owned by its subsidiaries and pledges of shares held, does not exceed 10% (ten percent) of the issued capital.
(2) Acquisition of shares, directly or indirectly, which is contrary to Paragraph (1) is null and void and the payment thereof received by the shareholders must be returned to the Company.

(3) The Board of Directors is jointly liable for any losses suffered by shareholders acted in good faith for such nullity as referred to in Paragraph (2)

Article 31

(1) The repurchase of share as referred to in Article 30 Paragraph (1) or further transfer of such shares may only be done on the basis of a resolution of the GMS

(2) The resolution adopted in the GMS referred to in Paragraph (1) is valid if it is attended by shareholders representing at least \(\frac{2}{3}\) (two third) of the total shares having valid voting rights, and is approved by at least \(\frac{2}{3}\) (two third) of the total vote legally cast.

Article 32

(1) The GMS may assign its authority to give the approval as referred to in Article 31 to other company body for a maximum period of 5 (five) years.

(2) The assignment of authority as referred to in Paragraph (1) may be extended for a maximum period of 5 (five) years.

(3) The assignment of authority as referred to in Paragraph (1) may be withdrawn at any time by the GMS.

Article 33

(1) Shares purchased by the Company pursuant to Article 30, may not be issued to cast a vote in the GMS and will not be taken into account in determining weather mandatory quorum has been reached according to the provisions of this Law and or the Articles of Association.

(2) The shares of a parent Company purchased by its subsidiaries may also not be used to cast a vote in the GMS and may not be taken into account in determining weather mandatory quorum has been reached according to the provisions of this Law and or the Articles of Association.

Section Three
Increase of Capital

Article 34

(1) Company’s capital may be increased only by virtue of the resolution of the GMS.

(2) The GMS may assign its authority to approve the resolution as referred to in Paragraph (1) to the Commissioners for a maximum period of 5 (five) years.

(3) The assignment of authority as referred to in Paragraph (2) may be withdrawn at any time by the GMS.
Article 35
The resolution of the GMS as referred to in Article 34 Paragraph (1) is lawful if it is conducted pursuant to the provisions regarding notices of meetings, quorum, and total votes required to amend the Article of Association in pursuant to the provisions of this Law and/or Articles of Association.

Article 36
(1) Unless otherwise stipulated in the Articles of Association, any shares issued to increase capital must first be offered to the other shareholders in proportion to the shareholding ratio for the relevant class of shares.
(2) In case a shareholder fails to use its right to purchase the offered shares as referred to in Paragraph (1), after the lapse of 14 (fourteen) days as after the offer, the Company shall firstly offer the shares to its employee prior to offering such shares to other party.
(3) The provisions concerning offer of shares to employees as referred to in Paragraph (2) shall be further regulated by Government Regulations.

Section Four
Reduction of Capital

Article 37
(1) A reduction of Company's capital may only be effected by virtue of the resolution of the GMS as stipulated in the provisions referred to in Article 35.
(2) The board of Directors is required to notify in writing the resolution as referred to in Paragraph (1) to all creditors and announce it in the State Gazette of the Republic of Indonesia and 2 (two) daily newspaper at the latest 7 (seven) days as of the date of resolution.

Article 38
(1) Within 60 (sixty) days after the announcement as referred to in Article 37 Paragraph (2) is made, the creditors may submit written objections accompanied by reason thereof against the resolution on the reduction of capital to the Company with a copy to the Minister.
(2) Within 30 (thirty) days after receipt of the objections as referred to in Paragraph (1) the Company must provide response stating the reasons against the objections.
(3) In case the Company reject the objections or does not provide solution agreeable to the creditors, within 30 (thirty) days after the Company's reply is received, the
creditors may file a lawsuit against the Company to the District Court whose jurisdiction includes the Company's domicile.

Article 39

(1) A reduction in capital will be effective after the amendment to the Articles of Association has been approved by the Minister.

(2) The Minister's approval on the amendments to the Articles of Association referred to in Paragraph (1) may only be given if:
   a. there are no written objections raised by a creditors, within the period referred to in Article 38 Paragraph (1);
   b. a solution to the objections submitted by the creditors has been reached; or
   c. the creditors' lawsuit has obtained a final and binding judgement rendered by the court.

Article 40

An amendment to the Articles of Association accompanied by the Minister's approval of the reduction of capital must be registered and announced in accordance with to provisions of Articles 21 and 22.

Article 41

(1) The reduction of capital must be applied proportionally to each or all shares of the same class.

(2) In case of the company has more than one class of shares, the resolution to reduce capital may only be made to the extent that it is in accordance with the prior resolutions in the meeting of shareholders of the class of shares who have suffered losses as the result of the resolution to reduce capital.

Section Five

Shares

Article 42

(1) The nominal value of shares must be stated in the currency of the Republic of Indonesia.

(2) Shares without nominal value may not be issued.

(3) Bearer shares may only be issued if the nominal value of the agreed value of such shares has been paid in full.

Article 43

(1) The Company is required to file and keep a Register of Shareholders, which at least contains:
   a. the name and addresses of the shareholders;
b. the amounts, numbers and dates of acquisition of the shares owned by each shareholder and if more than one class of shares have been issued, each class of shares;

c. amount paid up in respect of each share;

d. The names and addresses of individuals of legal entities holding a pledge over the shares as well as the date the right of pledge was obtained; and

e. Information pursuant to Article 27 Paragraph (2) in respect of payment in another form.

(2) In addition to the Register of shareholders as referred to in Paragraph (1), the Company must establish and maintain a special register which contains information regarding the ownership of shares in the Company and/or in other Companies by the members of the Board of Directors and the Commissioners and their family members and the acquisition of such shares.

(3) If the Company issues bearer shares, the date, amounts and numbers of the bearer shares issued must be listed in the Register of Shareholders and the special register as referred to in Paragraph (2).

(4) The register of Shareholders and the special register as referred to in Paragraphs (1) and (2) shall also include every change in ownership of shares.

(5) The register of Shareholders and the Special List referred to in Paragraph (1) and (2) shall be maintained at the domicile of the Company in order to enable the shareholders to pursue them.

Article 44

Each shareholder will be given documentary evidence of ownership of shares.

Article 45

(1) A share provides an indivisible right to the owner.

(2) If 1 (one) share is owned by more than 1 (one) person, the right to the share is exercisable only by appointing 1 (one) person as a joint representative.

Article 46

(1) The Article of Association shall stipulate 1 (one) or more classes of shares.

(2) The share of the same class of shares gives their holders the same right.

(3) If there is more than 1 (one) class of shares, the Articles of Association shall stipulate 1 (one) class as common shares.

(4) Beside the classes of shares as referred to in paragraph (3), the Articles of Association may stipulate 1 (one) or more classes of share:

a. having special, conditional, limited, or without voting rights;

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b. which after a certain period of time maybe withdrawn or exchange with share of another class;

c. which grants the holder with the right to receive cumulative or non-cumulative dividends;

d. which grants the holder with the preferred right to receive dividends and the remaining assets of the company in liquidation prior to providing such right to the shareholders of another class of shares.

Article 47

(1) The Articles of Association may stipulate fractions of a nominal value of a share.
(2) A holder of a fraction of a nominal value of a share is not given an individual voting right, unless the person and another holder of the fraction of a share of the same class jointly own the nominal value of fractions as a share which is equal to nominal value of one full share of that class.

Article 48

The Articles of Association of the Company shall stipulate the procedure for transferring the rights in shares in accordance with prevailing laws and regulations.

Article 49

(1) Transfer of rights of registered shares must be carried out by a deed of transfer.
(2) The deed of transfer as referred to in Paragraph (1) or a copy thereof shall be submitted in writing to the Company.
(3) The Board of Directors must record the transfer of rights of registered shares, including the day and date of the transfer of rights in the Register of Shareholders or in the Special List referred to in Article 43 Paragraphs (1) and (2).
(4) Transfer of rights of bearer shares is conducted by delivering the share certificate.
(5) The forms of and procedure for transferring the rights of registered shares and bearer shares traded in the capital market shall be regulated in laws and regulations governing capital markets.

Article 50

The Articles of Association may stipulate limitations on transfer of rights in shares, as follows:

a. The obligation to offer the pre-emptive rights to a certain group of shareholders or other shareholders; and/or

b. The obligation to obtain prior approval from the company body.

Article 51

(1) If the Articles of Association require a shareholder to first offer his shares to a certain group of shareholders or other shareholders not chosen by himself, the
Company must warrant that all of the offered shares shall be bought at a reasonable price and paid in cash within 30 (thirty) days after the offer has been made.

(2) If the Company cannot so warrant implementing the provisions referred to in Paragraph (1), the shareholder concerned may offer and sell his shares to the Company's employees prior to offering the same to other persons.

(3) Each shareholder who is required to offer his shares as referred to in Paragraph (1) may rescind the offer after the period of time has elapsed as referred to in Paragraph (1).

(4) The initial offer of shares to a certain group of shareholders or other shareholders may only be conducted once.

(5) The provision concerning the offer and sale of shares to the employees as referred to in Paragraph (2) shall be further regulated by Government Regulations.

Article 52

(1) An approval or rejection of the transfer of rights of shares which requires the approvals of the Company body must be given in writing within a maximum period of 90 (ninety) days after the Company body has received the request for transfer of rights.

(2) In case the period referred to in Paragraph (1) expires and the company body has not given any written statement, the company body will deem to have approved such transfer of rights of shares.

(3) In case the transfer of rights of the registered shares is approved by the company body, such approval must be rendered in accordance with the provisions referred to in Article 49 and such transfer must be effected within maximum period of 90 (ninety) days after the approval has been granted.

(4) In case the transfer the right of shares is rejected, the company body must appoint other prospective buyers in accordance with the terms referred to in Article 51 Paragraph (1).

(5) If the rejection of transfer of rights of shares is not followed by the appointment as referred to in Paragraph (4) the provision in Paragraph (2) shall apply.

Article 53

(1) Bearer shares may be pledge.

(2) Registered shares may be pledge unless otherwise stipulated in the Articles of Association.

(3) A pledge of shares must be recorded in the Register of Shareholders and the Special List referred to in Article 43.

(4) Voting rights over pledge shares are retained by the shareholders.
Article 54

(1) Shares are movable assets and award ownership rights to the holder.

(2) Each shareholder is entitled to file a lawsuit against the Company in the District Court, if the shareholder suffers losses caused by the Company's actions which are considered unfair and unreasonable as the consequence of the resolution of the GMS, or the Board of Directors or the Commissioners.

(3) The lawsuit referred to in Paragraph (2) shall be filed to the District Court whose jurisdiction includes the Company's domicile.

Article 55

(1) If the acts of the Company cause a shareholder or the Company to incur losses, any shareholder may require the Company to purchase his shares at a reasonable price if such shareholder does not approve the Company acts, i.e.:
   a. The amendments to the Articles of Association;
   b. The sale, pledge, or exchange of a large portion or of all of the Company's assets; or
   c. The merger, consolidation, or acquisition of the Company.

(2) If the shares to be purchased as referred to in Paragraph (1) exceed the ascertained limit for the re-purchase of shares by the Company as referred to in Article 30 Paragraph (1), the Company is required to make an effort to sell the remaining shares to another party.

CHAPTER IV
ANNUAL REPORT AND UTILIZATION OF PROFITS

Section One
Annual Report

Article 56

Within 5 (five) months after the conclusion of the Company's financial year, the Board of Directors shall prepare an annual report to be submitted to the GMS, which must at least contain:
   a. the annual financial report consisting of a year-end balance sheet of the proceeding year and the profit and loss statement of the same proceeding year with explanation thereto;
   b. the consolidated balance sheets of companies in the same group, besides the respective balance sheet of each Company of the same group;
   c. a report on the management and operations of the Company and results achieved;
   d. the main line of activities of the Company and deviations thereto during the relevant financial year;
   e. details of problems arising during the financial year which affected the Company's activities;
f. the names of members of the Board of Directors and the Commissioners; and

g. the salary and other remuneration for members of the Board of Directors and Commissioners.

Article 57

(1) The annual report as referred to in Article 56 shall be signed by all the members of the Board of Directors and the Commissioners.

(2) If one of the members of the Board of Directors or the Commissioners does not sign the report as referred to in Paragraph (1), the reasons thereof must be stated in writing.

Article 58

(1) The annual financial statements must be prepared in accordance with Financial Accounting Standards.

(2) If the Financial Accounting Standards as referred to in Paragraph (1) cannot be applied consistently, the explanation and the reasons thereof must be given.

Article 59

(1) The Board of Directors shall summit the Company's annual statements to a public accountant to be audited if:
   a. the Company's business activities relates to the mobilization and use of public funds;
   b. the Company issues debt instruments; or
   c. the Company is a public (open) limited liability company

(2) If the obligations as referred to in Paragraph (1) cannot be fulfilled, the annual statements may not be ratified by the GMS.

(3) The result of the public accountant's audit report as referred to in Paragraph (1) shall be submitted in writing to the GMS through the Board of Directors.

(4) The annual statements as referred to in Paragraph (1), after being ratified by the GMS, shall be announced in 2 (two) daily newspapers.

Article 60

(1) An approval of the annual report and the ratification of the annual financial statements shall be given by the GMS.

(2) Resolutions concerning the approval of the annual report and the ratification of annual financial statements as referred to in Paragraph (1) are made in accordance with the provisions of this Law and or the Articles of Association.
(3) If the annual statements provided prove to be incorrect or misleading, the Board of Directors and the Commissioners are jointly responsible to the parties suffering losses.

(4) Members of the Board of Directors and the Commissioners shall be released from the liability referred to in Paragraph (3) if they can prove that such matter was not due to their fault.

Section Two
Utilization of Profit

Article 61

(1) In each financial year, the Company must allocate a certain amount of its net profits as reserves.

(2) The allocation of net profits referred to in Paragraph (1) is created until the amount of the reserves is not less than 20% (twenty percent) of the issued capital.

(3) The reserves referred to in Paragraph (1) that has not reach the amount as stipulated in Paragraph (2) may only be used to cover losses that cannot be covered by other reserves.

(4) The provisions concerning the allocation of net profits for reserves and the utilization thereof shall be further regulated by Government Regulations.

Article 62

(1) The utilization of net profits including the determination of the allocation amounts for the reserve fund referred to in Article 61 Paragraph (1) shall be resolved by the GMS.

(2) Unless otherwise stipulated by the GMS, all net profits after being deducted by the allocation for reserve referred to in Article 61 Paragraph (1) shall be distributed to shareholder as dividends.

(3) After the lapse of 5 (five) years, the uncollected dividends must be transferred to a reserve account specifically established for such purpose.

(4) Collection of dividends referred to in Paragraph (3) shall be stipulated in the Articles of Association.

CHAPTER V
GENERAL MEETING OF SHAREHOLDERS

Article 63
(1) The GMS has all authority and powers not granted to the Board of Directors or the Commissioners within the limits stipulated in this Law and/or the Articles of Association.

(2) The GMS is entitled to obtain any information related to the interests of the Company from the Board of Directors and the Commissioners.

**Article 64**

(1) The GMS shall be held at the Company's domicile or at the place where the Company conducts its business activities, unless otherwise stipulated in the Articles of Association.

(2) The domicile referred to in Paragraph (1) must be located in the territory of the Republic of Indonesia.

**Article 65**

(1) The GMS consists of the Annual GMS and other GMS.

(2) An annual GMS shall be held once a year not more than 6 (six) months after the end of the proceeding financial year.

(3) All Company documents referred to in Article 56 must be submitted to and presented at the Annual GMS.

(4) Other GMS can be held at any time as deemed necessary.

**Article 66**

(1) The Board of Directors holds the Annual GMS and is entitled to hold other GMS in the interests of the Company.

(2) The other GMS as referred to in Paragraph (1) may be held upon the request of 1 (one) or more shareholders who jointly represent \( \frac{1}{10} \) (one tenth) of the total amount of shares having valid voting rights, or a lesser number as may be stipulated in the Company's Articles of Association.

(3) The request as referred to in Paragraph (2) shall be submitted to the Board of Directors or the Commissioners by registered mail, and must state the reasons therefor.

(4) The GMS as referred to in Paragraph (2) may discuss only matters relating to the reasons referred to in Paragraph (3).

**Article 67**

(1) The Chief Justice of the District Court whose jurisdiction includes the Company's domicile may give an approval to the applicant:

a. to call for an Annual GMS, at the request of shareholders if the Board of Directors or the Commissioners does not hold the Annual GMS at the stipulated time; or
b. to call for another GMS, at the request of shareholders as referred to in Article 66 Paragraph (2), if the Board or Directors or Commissioners have not called for the other GMS after the lapse of 30 (thirty) days after a request thereof has been made

(2) The Chief Justice of the District Court as referred to in Paragraph (1) may stipulate the form contents and period of a notice of GMS and appoint a chairman of meeting without being bound to the provisions of this Law or Articles of Association.

(3) If a GMS is held pursuant to Paragraph (1), the Chief of Justice of the District Court may order the Board of Directors and or the Commissioners to attend.

(4) The order of the Chief of Justice of the District Court on the granting of the approval as referred to in Paragraph (1) is a final and binding court order.

Article 68

(1) To hold a GMS, the Board of Directors must make a call for a meeting to the shareholders.

(2) In certain event as stipulated in the Articles of Association, the call for a GMS as referred to in Paragraph (1) may be made by the Commissioners.

Article 69

(1) Notice to hold a GMS shall be sent at the latest 14 (fourteen) days before the meeting is to be held.

(2) The notice to call for a GMS shall be sent by registered mail.

(3) The notice for a GMS for a public (open) limited liability company must be advertised in 2 (two) daily newspapers.

(4) The notice to call for a GMS must state the date, time, place and agenda of the meeting accompanied by an announcement that the material to be discussed in the GMS is available at the Company’s office as of the date of the notice has been given to the date when the GMS is to be held.

(5) The Company must provide copies of the material referred to in Paragraph (4) to the shareholders for free of charge.

(6) If the notice does not comply with the provisions referred to in Paragraphs (1) and (2), the resolutions shall remain valid if the GMS is attended by all shareholders representing shares with valid voting rights and that the resolutions were passed unanimously.

Article 70

(1) For public (open) companies, prior to the sending of the notice to call for a GMS, an announcement in two daily newspapers must be advertised.

(2) The announcement as referred to in Paragraph (1) shall be done not less than 14 (fourteen) days before the notice to call for a GMS.
Article 71

(1) Shareholders with valid voting rights, either by themselves or by written proxies, are entitled to attend the GMS and exercise their voting rights.

(2) In the voting, members of the Board of Directors, the Commissioners and the Company’s employees may not serve as a proxy of a shareholder as referred to in Paragraph (1).

Article 72

(1) Unless otherwise stipulated in the Articles of Association, each issued-share carries a right to one vote.

(2) The Company’s shares owned by the Company do not carry any voting rights.

(3) The shares of a parent Company owned by its subsidiaries also do not carry any voting rights

Article 73

(1) A GMS may be held if shareholders representing more than ½ (one half) of the total of all shares having valid voting rights are present, unless otherwise stipulated in this Law and or the Articles of Association.

(2) If the quorum referred to in Paragraph (1) is not reached, a notice of a second GMS shall be made.

(3) The notice referred to in Paragraph (2) must be done at the latest 7 (seven) days before the second GMS is to be held.

(4) The second GMS must be held not less than 10 (ten) days and not more than 21 (twenty-one) days after the first GMS.

(5) The second GMS referred to in Paragraph (4) is valid and may adopt resolutions if it is attended by shareholders representing at least $\frac{1}{3}$ (one third) of all shareholders having valid voting rights.

(6) If the quorum of the second GMS as referred to in Paragraph (5) is not reached upon the Company’s request, the quorum shall be decided by the Chief Justice of the District Court.

Article 74

(1) The resolution of the GMS shall be adopted based on the principle of deliberation to reach a consensus.

(2) If the resolution based on the principle of deliberation to reach a consensus referred to in Paragraph (1) is not reached, the resolution shall be adopted based on the simple majority votes of the total votes lawfully cast, unless this Law and or the Article of Association stipulate that the resolution must be adopted by vote higher than simple majority votes.

Article 75

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(1) The resolution of the GMS to make amendments to the Articles of Association shall be valid if the meeting is attended by shareholders representing at least \( \frac{2}{3} \) (two thirds) of the total shares having valid voting rights and if the resolution is approved by at least \( \frac{2}{3} \) (two thirds) of the total votes.

(2) If the quorum referred to in Paragraph (1) is not reached, the resolution made in the second GMS shall be valid if the meeting is attended by at least \( \frac{2}{3} \) (two thirds) of the total shares having valid voting rights and if the resolution is approved by majority vote.

**Article 76**

In the even of a merger, consolidation, acquisition, bankruptcy, and or dissolution of the Company, the resolution of the GMS is valid if the meeting is attended by shareholders representing at least \( \frac{3}{4} \) (three fourths) of all shares having valid voting rights and the resolution is approved by at least \( \frac{3}{4} \) (three fourths) of the total votes.

**Article 77**

Minutes of each GMS must be made and signed by the Chairman of the meeting and at least 1 (one) shareholder appointed by and among the participants of GMS.

**Article 78**

(1) The Company’s Articles of Association may stipulate that a resolution of the GMS may be adopted by methods other than by way of a meeting.

(2) If the Articles of Association stipulate the method referred to in Paragraph (1), the resolution may be adopted if all shareholders with valid voting rights have approved in writing the method and the resolution adopted.
CHAPTER VI
BOARD OF DIRECTORS AND COMMISSIONERS

Section One
Board of Directors

Article 79
(1) The management of the Company shall be carried out by the Board of Directors.
(2) A company whose field of business is mobilizing public funds, a company that issues debt instrument, or a public limited liability company, must have a minimum of 2 (two) members of the Board of Directors.
(3) Those who are eligible to be appointed as members of the Board of Directors are individuals who are capable of carrying out our legal actions and who have never been declared bankrupt or who are not the members of the Board of Directors or the Commissioners responsible for the bankruptcy of another Company, or who have never been punished due to criminal actions causing a loss to the state within 5 (five) years prior to their nomination.

Article 80
(1) Members of the Board of Directors are appointed by the GMS.
(2) The first appointment of the members of the Board of Directors is done by stating the composition and names of the members of the Board of Directors in the deed of establishment referred to in Paragraph (1) sub-paragraph b.
(3) Members of the Board of Directors are appointed for a fixed period of time and may be re-appointed.
(4) The Articles of Association stipulate the procedure to nominate, appoint, and dismiss members of the Board of Directors without prejudice to the rights of shareholders to make the nomination.

Article 81
(1) Rules on division of duties and authorities of each member of the Board of Directors and the amount and type of remuneration of the members of the Board of Director are determined by the GMS.
(2) The Articles of Association may stipulate that the authority of the GMS as referred to in Paragraph (1) shall be carried out by the Commissioners on behalf of the GMS.

Article 82
The Board of Directors shall be fully responsible for the management of the Company in the interest of and in accordance with the objectives of the Company and shall represent the Company within and outside the court.
Article 83

(1) If the Board of Directors consists of more than 1 (one) persons, each member of the Board of Directors is empowered to represent the Company unless otherwise stipulate in this Law and of the Articles of Association.

(2) The Articles of Association may stipulate limitations to the power of members of the Board of Directors referred to in Paragraph (1).

Article 84

(1) A member of the Board of Directors may not represent the company if:
   a. there occurs lawsuit before the court between the Company and the relevant member of the Board; or
   b. The relevant member of the Board of Directors have a conflict of interests with the Company;

(2) The Articles of Association shall stipulate the person who may be authorized to represent the Company in the cases referred to in Paragraph (1)

(3) If the Articles of Association do not stipulate the provisions referred to in Paragraph (2), the GMS shall appoint 1 (one) or more shareholders to represent the Company.

Article 85

(1) Each member of the Board of Directors must, in good faith and fully responsibility, perform his duties in the interests and business of the Company.

(2) Each member of the Board of Directors is personally and fully liable, if he has done wrong, or is negligent in performing his duties in accordance with the provision referred to in Paragraph (1).

(3) On behalf of the Company, the shareholders representing at least $\frac{1}{10}$ (one tenth) of the total shares having valid voting rights may file a lawsuit at the District Court against members of the Board of Directors who have caused losses to the Company due to their fault or negligence.

Article 86

(1) The Board of Directors shall:
   a. established and maintain a Register of Shareholders, the minutes of the GMS resolutions, and minutes of the meeting of the Board of Directors; and
   b. Administer the Company books

(2) The Register of Shareholders, minutes and books referred to in Paragraph (1) shall be kept at the domicile of the Company.

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(3) Upon a written request from the shareholders, the Board of Directors shall give permission to shareholders to examine and obtain a copy of the Register of Shareholders, minutes and books as referred to in Paragraph (1).

**Article 87**

Members of the Board of Directors shall report to the Company of their ownership of shares and or of their families in the Company or other Companies.

**Article 88**

(1) The Board of Directors must obtain approval from the GMS to transfer ownership of all or a large portion of the Company’s assets as a security for a loan.

(2) Legal action referred to in Paragraph (1) may not cause a third party acting in good faith to suffer losses.

(3) The GMS resolution to transfer or to take all or a large portion of the Company’s assets as a security is valid if the meeting is attended by the shareholders representing at least ¾ (three fourths) of the total shares having valid voting rights and the resolution is approved by at least ¾ (three fourths) of the total votes.

(4) Legal act referred to in Paragraph (1) must be announced in 2 (two) daily newspapers not later than 30 (thirty) days after the legal act has been carried out.

**Article 89**

The Board of Directors may give a power of attorney in writing to 1 (one) of more Company’s employees or other persons to perform certain legal act for and behalf of the Company.

**Article 90**

(1) The Board of Directors may file a request to the District Court for a declaration of the Company’s bankruptcy only by virtue of the GMS resolution.

(2) If bankruptcy occurs due to the fault or negligence of the Board of Directors and in which case the Company’s assets are insufficient to cover losses incurred as a result of such bankruptcy, each member of the Board of Directors is jointly and severally liable for such losses.

(3) A member of the Board of Directors who can prove that the bankruptcy is not due to his fault of negligence, shall not be jointly and severally liable for losses.

**Article 91**

(1) A member of the Board of Directors may be discharge at any time by virtue of the GMS resolution by giving the reason thereof.
(2) The resolution to discharge a member of the Board of Directors referred to in Paragraph (1) may only be adopted after the person concerned is given an opportunity to defend himself at the GMS.

(3) By virtue of the resolution to discharge referred to in Paragraph (2), his term of office as a member of the Board of Directors is automatically terminated.

Article 92

(1) A member of the Board of Directors may be suspended by the GMS or the Commissioners by giving reasons thereof.

(2) The suspension as referred to in Paragraph (1) shall be informed in writing to the member of the Board concerned.

(3) The member of the Board of Directors under suspension as referred to in Paragraph (1) does not have authority any more to perform his duties.

(4) Within 30 (thirty) days after the date of suspension, a GMS shall be held.

(5) At the GMS referred to in Paragraph (4) the member of the Board of Directors under suspension shall be given an opportunity to defend himself.

(6) The GMS may rescind the suspension of discharge the member of the Board of Directors concerned.

(7) If within 30 (thirty) days a GMS as referred to in Paragraph (4) is not held, the suspension ceases.

Article 93

The Company’s Articles of Association shall contain provisions regarding the temporary filling of vacant positions in the Board of Directors, replacement of the Board member under temporary suspension or under the situation of being indisposed.

Section Two

Commissioners

Article 94

(1) The Company has a Commissioner whose authorities and obligations shall be set forth in the Articles of Association.

(2) A company in the business of mobilizing public funds, a company that issues debt instruments or a public (open) limited liability company shall have not less than 2 (two) Commissioners.

(3) In case there is more than 1 (one) Commissioners, they constitute a board.
Article 95

(1) A Commissioner is appointed by the GMS.
(2) The first appointment of a Commissioner is done by stating the composition and name of the Commissioners in the deed of establishment referred to in Articles 8 Paragraph (1) sub-paragraph b.
(3) The Commissioner shall be appointed for a certain period of time and can be re-appointed.
(4) The Articles of Association regulate the nomination, appointment and discharge of the Commissioner without prejudice to the rights of shareholders in the nomination.

Article 96

Those who are eligible to be appointed as the Commissioner are individuals who are capable of carrying out legal actions and who have never been declared bankrupt or who have not been a member of the Board of Directors or the Commissioners responsible for the bankruptcy of another Company, or who have never been punished due to criminal actions suffering loss to the state within 5 (five) years prior to their nomination.

Article 97

The Commissioner has the duty to supervise the Board of Directors in the operation of the Company and to provide advice to the Board of Directors.

Article 98

(1) The Commissioner shall, with good faith and full responsibility, perform his duty in the interest and business of the Company.
(2) In the name of the Company, a shareholder representing at least $\frac{1}{10}$ (one tenth) of the total share having valid voting rights may file a lawsuit against the Commissioners which has caused losses to the Company due to his fault or negligence.

Article 99

The Commissioner shall report to the Company of his ownership of shares and or of their families in the Company or in other Companies.

Article 100

(1) The Articles of Association may stipulate the granting of authority to the Commissioner to give approval or assistance to the Board of Directors in carrying out certain legal actions.
(2) By virtue of the Articles of Association or the resolution of the GMS, the Commissioner may take over the Company’s management under certain conditions for a certain period of time.

(3) In the event that a Commissioner takes over the management of the Company for certain conditions for a certain period of time referred to in Paragraph (2), all provisions concerning rights, authorities and obligations of the Board of Directors toward the Company and a third party shall apply.

**Article 101**

(1) The Commissioner may be discharge or suspended by the GMS.

(2) Provisions concerning the discharge and suspension of members of the Board of Directors as referred to in Article 91 and Article 92 Paragraph (2), (3), (4), (5), (6), and (7) shall also apply to the Commissioner.

**CHAPTER VII**

MERGERS, CONSOLIDATIONS, AND ACQUISITIONS

**Article 102**

(1) One or more Companies may merge into one existing company of consolidate with another Company and establish a new Company.

(2) A plan for a merger or consolidation as referred to in Paragraph (1) shall be set forth in a Merger or Consolidation Plain jointly drafted by the Board of Directors of the Companies planning to merge or consolidate, and shall at least contain:
   a. the names of the Companies which will conduct merger or consolidation;
   b. the reasons and explanation of the Board of Directors of each Company which will merge and consolidate and the requirements and terms of the merger and consolidation;
   c. the procedure for the conversion of shares of each Company conducting merger or consolidation into the shares of the Company resulting from merger of consolidation;
   d. the draft of the amendment of the Articles of Association of the merged Company of the draft of the Establishment Deed of the new Company as the result of merger or consolidation;
   e. the balance sheets and profit and loss statement for the last 3 (three) financial years of all Companies conducting the merger of consolidation; and
   f. other matters need to be known by the shareholders of each Company

(3) The merger of consolidation referred to in Paragraph (1) may only be conducted if the Merger of Consolidation Plan as referred to in Paragraph (2) is approved by the GMS of each Company.

**Article 103**
(1) An acquisition of a Company may be conducted by a legal entity or a natural person;

(2) The acquisition referred to in Paragraph (1) can be conducted by acquiring all or a large portion of shares which may result in the taking over of the control of the Company.

(3) In case the acquisition is conducted by a Company, the following provisions shall apply:
   a. The acquisition plan shall be embodied in an Acquisition Plan prepared by the Board of Directors of the Company conducting the acquisition and the Acquired Company, which contains at least:
      1. the name of the Company conducting the acquisition and the Acquired Company; and
      2. The reasons and explanation of the Board of Directors of each Company performing the acquisition of the requirements and procedures for the acquisition of share of the Acquired Company.
   b. The acquisition shall be conducted upon the approval of the GMS of each Company on the Acquisition Plan submitted by the Board of Directors of each Company.

(4) In case the acquisition is conducted by a legal entity other than a Company, the following provisions shall apply:
   a. The Acquisition Plan must be embodied in an Acquisition Plan drafted by the Board of Directors of the Acquired Company and the management of an acquiring legal entity other than company, which contain at least:
      1. the names of the acquiring legal entity other than company and the Acquired Company; and
      2. the reason and explanation of the Board of Directors of the acquiring legal entity other than company and the Acquired Company concerning the requirements and procedures for the acquisition of shares of the Acquired Company;
   b. The acquisition shall be subject to the approval of the GMS of the Acquired Company and the approval of the Members of Managing Board of the acquiring legal entity other than Company.

(5) In case the acquisition is conducted by a natural person, the following provision shall apply:
   a. The Acquisition Plan must be embodied in an Acquisition Plan drafted by the Board of Directors of the Acquired Company and the acquiring individual person, which contain at least:
      1. the names of the Acquired Company and the acquiring individual person; and
      2. the reasons and explanation of the Board of Directors of the Acquired Company concerning the requirements and procedures for the acquisition of shares;
b. The acquisition shall be subject to the approval of the GMS of the Acquired Company based on the Plan submitted by the Acquired Company and the acquiring individual person.

(6) The provisions referred to in Paragraph (1) do not restrict legal entities of individuals from acquiring shares of other Companies directly from its shareholders.

**Article 104**

(1) The legal undertakings for merger, consolidation, and acquisition shall observe:
   a. the interests of the Company, the minority shareholders and the Company’s employee; and
   b. the interests of the public and fair competition in doing business.

(2) Merger, consolidation and acquisition of the Company do not reduce the rights of minority shareholders to sell their shares at a reasonable price.

**Article 105**

(1) The resolution of the GMS concerning merger, consolidation and acquisition of Company are valid if they are adopted in accordance with the provisions as set forth in Article 74 Paragraph (1) and Article 76.

(2) The Board of Directors is required to announce the merger, consolidation, and acquisition plans of the Company in 2 (two) daily newspapers, not later than 14 (fourteen) days before the call notice of GMS.

**Article 106**

(1) A Company’s Merger Plan that has been approved by the GMS shall be attached to the request for amendment of the Company’s Articles of Association in order to obtain the approval of the Minister referred to in Article 15 Paragraph (1);

(2) A Company’s Merger Plan approved by the GMS, either accompanied or not accompanied by the amendments to the Articles of Association, shall be reported to the Minister as referred to in Article 15 Paragraph (3)

(3) A Company’s Consolidation Plan that has been approved by the GMS shall be attached to the request for a ratification of the establishment deed of the Company resulting from the consolidation to obtained the Minister’s legalization referred to in Article 7 Paragraph (6)

(4) A Company’s Acquisition Plan that has been approved by the GMS shall be reported to the Minister as referred to in Article 15 Paragraph (3);

(5) The provisions referred to in Articles 21 and 22 shall also apply to merger, consolidation and acquisition of a company.

**Article 107**
(1) In case of merger or consolidation, the Company that is merged or consolidated is therefore dissolved.

(2) Dissolution of a company referred to in Paragraph (1) may be conducted with or without a prior liquidation.

(3) If the dissolution of a company referred to in Paragraph (1) is not preceded by a liquidation, then:
   a. the assets and liabilities of the Companies merged or consolidated are transferred by law to the Company resulting from the merger or consolidation; and
   b. the shareholders of the Companies merged of consolidated become the shareholders of the Company resulting from the merger of consolidation.

Article 108

(1) The Board of Directors of the Company resulting from a merger or consolidation shall announce the result or the merger or consolidation in 2 (two) daily newspapers not later than 30 (thirty) days after merger, consolidation or acquisition has been conducted.

(2) The provision referred to in Paragraph (1) also apply to the Board of Directors of the Acquiring Companies referred to in Article 103 Paragraph (1).

Article 109

The provision concerning mergers, consolidations, and acquisitions of companies shall be further stipulated by Government Regulations.

CHAPTER VIII
INVESTIGATION OF THE COMPANY

Article 110

(1) An investigation of the Company can be done with the purpose of obtaining data or information if suspiciously believed that:
   a. the Company has committed an unlawful act which has caused damages to the shareholders or third party; or
   b. a member of the Board of Directors or the Commissioner has committed an unlawful act, which has caused losses to the Company, shareholders of third party.

(2) The investigation referred to in Paragraph (1) must be conducted by submitting a written request stating the reasons thereof to the District Court whose jurisdiction includes the Company’s domicile.

(3) The request referred to in Paragraph (2) may only be made by:
   a. shareholders on their own behalf or on behalf of the Company if they represent at least $\frac{1}{10}$ (one tenth) of the total shares having valid voting rights;
b. other parties which by virtue of the provisions in the Company’s Articles of Association or in an agreement with the Company have authorization to submit the request for an investigation; or

c. the Public Prosecutor, representing the interest of the public.

Article 111

(1) The Chief of Justice of the District Court has a right to reject or approve the request referred to in Article 110.

(2) The Chief Justice of the District Court referred to in Paragraph (1) shall reject the request if such request is not based on reasonable grounds.

(3) In case the request is approved, the Chief Justice of the District Court shall issue an order for the investigation and appointment of not more than 3 (three) experts to perform the investigation.

(4) Each member of the Board of Directors, the Commissioner, the Company’s employees, and public accountants appointed by Company referred to in Article 59 Paragraph (1) may not be appointed as experts referred to in Paragraph (3).

(5) The investigators may inspect all documents and assets of the Company, which are deemed necessary for the investigation.

(6) The Board of Directors, the Commissioners, and all employees of the Company shall give all information necessary for the investigation.

(7) The investigators may not disclose the result of the investigation to any other parties.

Article 112

(1) The report on the result of the investigation must be submitted by the investigators to the Chief Justice of District Court.

(2) The Chief Justice of the District Court shall give a copy of the report only to the requester applicant and relevant Company.

Article 113

(1) In case a request for investigation is granted, the Chief Justice of the District Court will determine the maximum cost of the investigation.

(2) The investigation cost shall be paid by the Company.

(3) Upon request of the Company, the Chief Justice of the District Court may apportion all of part investigation costs as referred to in Paragraph (2) to the requester, the member of the Board of Directors, and the Commissioners.

CHAPTER IX
DISSOLUTION AND LIQUIDATION

Article 114

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The Company may be dissolved by virtue of:

a. GMS resolution;
b. the duration period for which the Company is established as stipulated in the Articles of Association has expired;
c. a Court decision.

**Article 115**

1. The Board of Directors may submit a proposal for a Company’s dissolution to the GMS.
2. The GMS resolution concerning the dissolution of a Company is valid if it is adopted in accordance with the provisions referred to in Article 74 Paragraph (1) and Article 76.
3. The Company is dissolved at the time stipulated in the GMS resolution.
4. The dissolution of the Company referred to in Paragraph (3) shall be followed with liquidation by a liquidator.

**Article 116**

1. In case the Company is dissolved due to the expiration of its duration stipulated in the Articles of Association, at the request of the Board of Directors, the Minister may grant an extension of such duration.
2. The request for the duration extension referred to in Paragraph (1) may only be made upon the resolution of the GMS attended by shareholders representing not less than ¾ (three fourths) of the total shares having valid voting rights and approved thereof by at least ¾ (three fourths) of the total votes.
3. The request for the duration extension referred to in Paragraph (1) and the request for approval of amendments to the Articles of Association shall be submitted to the Minister not later than 90 (ninety) days before the duration period of the Company expires.
4. The Minister’s decision, at the request referred to in Paragraph (1) shall be granted not later than 30 (thirty) days after the request is received.
5. If the duration period of the Company has expired and the GMS has so decided not to extend such period, then the liquidation process shall be executed in accordance with the provisions in this Chapter.

**Article 117**

1. The District Court may dissolve a Company:
   a. at the request of the public persecutor on the basis of sound reasons that the Company has violated the public interest;
   b. at the request of 1 (one) or more shareholders representing at least $\frac{1}{10}$ (one tenth) of the total shares having valid voting rights
   c. at the request of creditors on the basis of the following reasons:
1) if after being declared bankrupt, the Company is not able to pay its debts, or
2) if after the declaration of the bankruptcy has been rescinded the Company’s assets are not sufficient to settle all of its debts.

d. at the request of a concerned party on the basis of the fact that there is legal defect in the deed of establishment of the Company.

(2) The Court’s decision shall also stipulate the appointment of a liquidator.

Article 118

(1) In case a Company is dissolved, the liquidator must, not later than 30 (thirty) days:
  a. make a registration in the register referred to in Article 21;
  b. submit an application for announcement in the State Gazette of the Republic of Indonesia;
  c. make announcement in 2 (two) daily newspapers; and
  d. submit a report to the Minister.

(2) As long as the registration and announcement referred to in Paragraph (1) sub-Paragraph a, b, c have not been done, the dissolution of the Company is not valid to third parties.

(3) In case the liquidations are negligent to register as referred to in Paragraph (1) sub-Paragraph a, the liquidators shall be jointly and severally liable for the losses suffered by third parties.

(4) The registration and announcement referred to in Paragraph (1) must mention the names and addresses of the liquidators.

Article 119

(1) If a company is dissolved, the Company may not be able to commit any legal acts except such acts are required to settle its assets in the liquidation process.

(2) The settlement of a Company’s assets referred to in Paragraph (1) covers:
  a. inventory and collection of the Company’s assets;
  b. determination of procedures for assets distribution;
  c. payments to the creditors;
  d. payments of the remaining assets as a result of liquidation to the shareholders; and
  e. other actions necessary in the settlement of the Company’s assets.

(3) If a Company is in the process of liquidation, the words “under liquidation” must be added to the Company’s name in every of its outgoing letters.

Article 120

(1) The liquidators of a dissolved Company must notify all its creditors by registered mail concerning the dissolution of the Company.

(2) The notification referred to in Paragraph (1) must contain:
a. the names and addresses of the liquidators;
b. the procedures to submit a claim; and

c. the period in which claims may be submitted, which may not exceed 120 (one
hundred and twenty) days after the notice is received.

(3) Creditors who submit claims according to the provisions referred to in paragraph
(2) sub paragraph b and c, and whose claims are later rejected, may file a lawsuit
to the District Court not later that 90 (ninety) days after the rejection date.

Article 121

(1) Creditors who do not file their claims according to the provisions of Article 120
Paragraph (2) point sub paragraph c may file their claims to the District Court
within 2 (two) years after the dissolution of the Company is registered and
announced as referred to in Article 118;

(2) Claims filed by the creditors as referred to in Paragraph (1) may only be made
against the remaining Company’s assets which have not been distributed to the
shareholders;

Article 122

(1) If no liquidator has been appointed, the Board of Directors shall act as
liquidator(s).

(2) The provisions concerning the appointment, suspension, discharge, authorities,
obligations, responsibilities, and supervision over the Board of Directors also
apply to the liquidators.

Article 123

At the request of 1 (one) or more concerned parties or at the request of the public
prosecutor, the Chief of Justice of the District Court may appoint a new liquidator and
discharge the then liquidator who does not properly perform his duties or if the
Company’s debts exceed its assets

Article 124

(1) A liquidator is responsible to the GMS for carrying out the liquidation of the
Company.

(2) The remaining assets after liquidation shall be allocated to the shareholders

(3) The liquidator shall register and announce the final result of the liquidation
process in accordance with the provisions of Articles 21 and 22 in 2 (two) daily
newspapers.

CHAPTER X
TRANSITIONAL PROVISIONS

Article 125

Jakarta, xviii.vii.mmii
(1) The deed of the company establishment which has been duly ratified or Articles of Association the amendment of which has been approved prior to the promulgation this Law will continue in effect, in so far as they are not contrary to this Law.

(2) A Company’s deed establishment which has not been ratified or the amendments to Articles of Association which have not been approved by the Minister at the time this Law becomes into effect, must be revised to conform with the provision of this Law.

(3) Within 2 (two) years from the date this Law comes into effect, all companies established and having been ratified based on the Indonesian Commercial Code (Wetboek van Koophandel, staatblad 1847:23), must conform to the provisions of this Law.

**Article 126**

(1) Within 3 (three) years from the date this Law comes into effect, legal entities established based on the Ordinance concerning Indonesian Companies of Shares (Ordonantie Indonisshe Maatschappij op Aandeelen, staatblad 1939:569 jo. 717) must apply to the Minister for approval of the establishment deed and of the Company’s Articles of Association.

(2) The provisions of this Law apply to legal entities referred to in Paragraph (1) whose Articles of Association have been ratified by the Minister.

**CHAPTER XI**

**OTHERS**

**Article 127**

The provisions of this Law apply to companies which is engaged in certain activities in the Capital Market to the extent, not otherwise stipulated by the laws and regulations on the Capital Market.

**CHAPTER XII**

**CLOSING PROVISIONS**

**Article 128**

(1) With the promulgation of this Law, Book One, Title Three, Chapter 3, Article 36 through Article 56 of the Commercial Code (Wetboek van Koophandel, Staatblad
1847:23) governing Limited Liability Companies including all amendments, most recently by Law Number 4 Year 1971, are declared null and void thereto.

(2) All implementing regulations on Book One, Title Three, Chapter 3, Article 36 through Article 56 of the Commercial Code (Wetboek van Koophandel, Staatsblad 1847:23) governing Limited Liability Companies including all amendments thereto, most recently by Law Number 4 Year 1971 are declared still in effect as long as they are not contrary to or have not been replaced by new provisions according to this Law.

(3) Within 3 (three) years as from the promulgation of this Law, the Ordinance concerning Indonesian Companies of Share (Ordonantie Indonisshe Maatschappij op Aandeelen, Staatblad 1939:569 Jo. 717) shall no longer be in effect.

Article 129

This Law will come into effect 1 (one) year from the date of its promulgation.

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

Ratified in Jakarta
On March 7, 1995
THE PRESIDENT OF THE REPUBLIC OF INDONESIA

Signed by
SOEHARTO

Promulgated in Jakarta
On March 7, 1995
THE MINISTER/STATE SECRETARY

Signed by
MOERDIONO

STATE GAZETTE OF THE REPUBLIC OF INDONESIA YEAR 1995 NUMBER 13