

ATTACHMENT

Decision of Chairman of Bapepam

Number : Kep-32/PM/2000

Date : August 22, 2000

Substitute for Prior Decision

Number : Kep-12/PM/1997

Date : April 30, 1997

Substitute for Prior Decision

Number : Kep-84/PM/1996

Date : January 24, 1996

RULE NUMBER IX.E.1 : CONFLICT OF INTEREST ON CERTAIN TRANSACTIONS

1. DEFINITIONS

- a. A Company is an Issuer that has conducted Equity Securities Public Offering or a Public Company.
- b. A Controlled Company is a company controlled either directly or indirectly by a Company.
- c. Transaction is any activity or contract made for the purpose of providing and or receiving loan, obtaining of, disposing or utilizing asset, services or Securities of a Company or a Controlled Company or making contract related to such activities.
- d. Conflict of Interest is a difference between the economic interests of a Company and the personal economic interests of the director, the commissioner, or the major shareholder of the Company or affiliated Party of the director, the commissioner, or the major shareholder;
- e. Independent Shareholders are the shareholders who do not have any Conflict of Interest with respect to a particular Transaction and or who are not an affiliated Party of the director, the commissioner, or the substantial shareholder that have a Conflict of Interest on certain transaction;
- f. Employees are all personnel that receive wages and salary from a Company.

2. TRANSACTIONS WITH CONFLICTS OF INTEREST

If there is a Transaction in which the commissioner, the director or the Substantial Shareholder or an affiliated Person of the director, the commissioner or the substantial shareholder has a Conflict of Interest, it must first be approved by Independent Shareholders or their authorized representative in General Meeting of Shareholder as described in this rule. Such approval must be confirmed in the form of a notarized deed.

3. EXEMPTED TRANSACTIONS

Transactions that are exempted from the requirement referred to in item 2 are:

- a. Transactions between a Company and a Controlled Company which shares or capital are owned not less than 99% (ninety nine percent) or between under common Controlled Companies which shares or capital are owned not less than 99% (ninety nine percent) by such Company, if the financial statement of the Company is consolidated;
- b. Transactions between a Company and a non-wholly owned Controlled Company in which none of the Company's commissioners, directors, or Substantial Shareholders, nor any Affiliated Person, owns shares of the Controlled Company. If the share ownership in the Controlled Company is over 50% (fifty percent), the financial statement must be consolidated;
- c. Transactions involving a Company or a Controlled Company with an Affiliated Party, if:
 - 1). The relationship and the type of Transactions have existed before the Company conducts a Public Offering and this relationship and its continuing nature have been fully disclosed in the initial offering Prospectus; or
 - 2). The relationship and the type of Transactions that occurred after the Public Offering have been approved by Independent Shareholders representing more than 50% (fifty percent) of the shares held by the Independent Shareholders.
- d. Transactions between a Company and its employees, directors, commissioners as well as with the employees, directors, commissioners of a Controlled Company, and transactions between the Controlled Company and its employees, directors, commissioners as well as with the employees, directors, commissioners of the Controlling Company are on the same terms and this fact is disclosed to Bapepam, shareholders, and all employees. Such Transactions also include benefits provided by the Company or the Controlled Company to all its employees, directors, commissioners on the same terms according to a policy determined by the Company as disclosed to Bapepam, shareholders, and all employees;
- e. The use of any facilities provided by a Company or a Controlled Company to the commissioners, directors, and Substantial Shareholders who are also employees, that is directly related to their responsibilities to the Company, and is in accordance with the Company policy that is submitted to Bapepam as information to the public;
- f. Compensation, including salary, contributions to pension funds, and or any other special benefits given to the commissioners, directors and Substantial Shareholders who are also employees, as long as the aggregate of such compensation is disclosed in periodic financial statements;
- g. Purchases of a land and or a house from a commissioner, a director, a major shareholder or any Person known by them to be affiliated to the company at that time, in an amount of less than Rp. 5.000.000.000 (five billion Rupiah) or less than 0.5% (a half percent) of the Company's net asset value in conformity with the most recent audited financial statements. Such purchases must be in accordance with the policy of the Company that applies to all employees and has been disclosed to Bapepam, shareholders, and employees. Purchases with a Conflict of

- Interest and which amount are more than Rp. 1.000.000.000 (one billion Rupiah) must be appraised by an Independent Appraisal;
- h. Transactions performed directly or indirectly by Indonesian Bank Restructuring Agency with regard to company restructuring and national economy recovery.

4. ANNOUNCEMENT REGARDING A GENERAL MEETING OF SHAREHOLDERS

The announcement regarding a General Meeting of Shareholders to approve the Transaction not exempted by item 3 of this rule must cover the information required in item 6 of this rule and made public as described in item 11 of this rule.

5. REPORT ON AN ANNOUNCEMENT REGARDING A GENERAL MEETING OF SHAREHOLDERS

A copy of the published invitation referred to in Item 4 of this rule must be submitted to Bapepam no later than the end of the 2nd (second) working day after the publication.

6. INFORMATION ON PROPOSED TRANSACTIONS AND THE GENERAL MEETING OF SHAREHOLDERS

Information that must be disclosed pursuant to item 4 of this rule, includes:

- a. A description of the Transaction, including, at least:
 - 1). The assets or services involved;
 - 2). The value of the transaction involved;
 - 3). The name of the Parties conducting the Transaction and their relationship with the company; and
 - 4). The nature of the Conflict of Interest of the Persons involved in the transaction;
- b. A summary of report from any designated independent Person;
- c. The date, time, and location of the General Meeting of Shareholders, and any subsequent shareholder meetings planned if the required quorum of attendance by Independent Shareholders is not achieved in the first meeting, a statement with respect to eligibility to vote on the proposed Transaction(s), and the required favorable votes in each meeting in accordance with this Rule;
- d. An explanation of the justification and reason for the proposed Transaction(s) as opposed to other similar Transaction(s) in which there would be no Conflict of Interest;
- e. The Company's plan, data, and other information required in item 7 of this rule;
- f. A statement of commissioners and directors to pronounce that all significant information has been disclosed and such information is not misleading; and
- g. A summary of any expert's or independent consultant's report, if deemed necessary by Bapepam.

7. MATERIAL TRANSACTION, CHANGE OF MAIN BUSINESS ACTIVITY OR OPEN COMPANY TAKEOVER THAT CONTAIN CONFLICT OF INTEREST

In the event that a material transaction, a change of main business activity or an open company take over contains conflict of interest, the company should comply with requirement as stipulated in item 6 of this rule and with information disclosure requirement as required in Rule Number IX.E.2 regarding Material Transaction and Change of Main Business Activity or Rule Number IX.H.1 regarding Open Company Takeover.

8. STATEMENT OF INDEPENDENT SHAREHOLDER

Before General Meeting of Shareholders, the Company should prepare statement forms with adequate stamped to be signed by Independent Shareholders, which at least states:

- a. Person who signs the stamped statement form is truly an independent shareholder; and
- b. If, in the future, it is proven that the statement is deceived, the person who signs the stamped statement form could be sanctioned based on prevailing regulation.

9. THE FIRST AND SECOND GENERAL MEETINGS OF SHAREHOLDERS

A Transaction which has a Conflict of Interest may be conducted if it has been approved in a General Meeting of Shareholders attended by Independent Shareholders representing more than 50% (fifty percent) of the shares owned by Independent Shareholders and such Transaction is approved by Independent Shareholders representing more than 50% (fifty percent) of the total shares owned by Independent Shareholders.

If the Independent Shareholder quorum requirement is not met in the first meeting, a decision may be made in a second meeting on the condition that it is attended by Independent Shareholders representing more than 50% (fifty percent) shares owned by Independent Shareholders and the Transaction is approved by Independent Shareholders representing more than 50% of the shares owned by the attending Independent Shareholders. If the quorum requirement is still not met in the second meeting, a decision may be made in a third meeting in which the requirements in item 10 are fulfilled.

Independent Shareholders' votes may be given directly by the Independent Shareholders or by their authorized representatives.

10. THE THIRD GENERAL MEETING OF SHAREHOLDERS

A third meeting may only be held after the Company has received approval from Bapepam. Such approval is based on a determination that the meetings discussed in item 9 have met the following requirements:

- a. The announcements to the public are in compliance with item 11 of this rule ; and
- b. The locations of the meetings, and the proxy procedures have been conducted by considering the interests of Independent Shareholders.

Approval of the Transaction in the third meeting requires approval by Independent Shareholders representing more than 50% of the shares owned by Independent Shareholders in attendance.

11. TRANSACTIONS THAT ARE NOT APPROVED BY THE GENERAL MEETING OF SHAREHOLDERS

If a Transaction subject to approval as required in Item 2 does not obtain approval from Independent Shareholders as specified in item 9, the transaction may not be resubmitted in less than 12 (twelve) months from the date on which it was rejected.

12. ANNOUNCEMENTS AND INVITATIONS REGARDING THE GENERAL MEETINGS OF SHAREHOLDERS

The requirements for announcements and invitations to the meetings are as follows:

- a. the announcement with regard to the initial general meeting of shareholders must be published at least 28 (twenty eight) days before the meeting. Such announcement must contain information as required in item 6. The invitation for a general meeting of shareholders shall be at least 14 (fourteen) days prior to such meeting. Invitations must be sent by registered mail or fax to the address of shareholders in addition to an invitation published in a newspaper. Such invitations must cover the information required in item 6; and
 - b. for the second and third meetings, each invitation must be announced in 2 (two) Indonesian newspapers that have a national wide circulation at least 14 (fourteen) days prior to the second meeting of shareholders, with an announcement that a quorum was not attained in the first meeting. The invitation to Independent Shareholders that did not attend the first meeting must be send by registered mail or fax at least 14 (fourteen) days prior to the second meeting.
13. Without limiting the authority of the Criminal Provisions in the Capital Market, Bapepam has the authority to impose sanction on any Party that violates this Rule including to those who provoke the violation.

Signed in Jakarta
on August 22, 2000
Chairman of BAPEPAM

Signed

Herwidayatmo
NIP 060065750

Signed as appears on the original version
Secretary

signed

Pande Putu Raka
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