

## **RULE NUMBER IX.H.1: OPEN LIMITED COMPANY TAKEOVER**

1. Definitions:
  - a. Open Limited Company means a Public Company or a company that has offered its shares or equity shares to public.
  - b. Person means a natural person, a corporation, a Legal Body, a Partnership, an Association, or any Organized Group.
  - c. Organized Group means persons that make a plan, agreement, or decision to work together to achieve a certain goal.
  - d. Company Controller means:
    - 1) any person that owns 25% (twenty five percent) of a Company's shares or more, unless the person could prove that he does not control the Company, or
    - 2) any person that directly or indirectly has the ability to control a Company in a manner of:
      - a) determining the designation and resignation of directors and commissioners; or
      - b) making any changes in the Company's Article of Association
  - e. Company Takeover means an activity, either directly or indirectly, that cause any change in a Company's control.
2. In the event of a Company Takeover, the new controller of the Company must conduct a Tender Offer for the whole remaining shares of the Company, except for:
  - a. shares owned by a shareholder that has made another Company Takeover transaction with the new controller of that Company;
  - b. shares owned by any other person that has already made an offering with similar terms and conditions as those of new controller of that Company;
  - c. shares owned by any other person who, at the same time, also conducts a Tender Offer for the same shares;
  - d. shares owned by Substantial Shareholders or other controllers of that Company.

Shares that must be purchased by a new controller are shares that have been owned by shareholders prior to the announcement date of the proposed Tender Offer.
3. The exercise of a Tender Offer mentioned above must start no later than the end of the second workday after the Company Takeover takes place and must be performed in accordance with Rule Number IX.F.1 excluding item 16 and 20. The Tender Offer procedure is initiated by submitting the Announcement Text of Proposed Tender Offer to Bapepam.
4. A candidate for new controller making any negotiation, which may result in a Company Takeover, must report on regular basis to the Target Company, Bapepam, Exchange(s) where the Target Company's subject shares will be listed, and public regarding all information that are related to the negotiation results. The information

must be submitted no later than the end of the second workday since the initiation of negotiation and after every new change is made.

5. Information that must be submitted referred to in item 4 at least includes:
  - a. subject shares that will be taken over;
  - b. identity of the Person making the Company Takeover (acquirer), including name, address, type of business, and the objectives of company takeover;
  - c. method used during the takeover negotiation process; and
  - d. any matter arises during the takeover process.
6. In the event of Company Takeover, if there is any contract or activity amongst substantial shareholders of the Target Company or between the controller of the Target Company and the candidate for new controller, which will result in:
  - a. the use of the Target Company resources in material amount;
  - b. any changes in agreement or settlement that has been made by the Target Company; or
  - c. any changes in operational procedure standard of the Target Company;in which cause any conflict of interest between the Target Company as well as its shareholders and the Controller or substantial shareholders, must be subject to Rule Number IX.E.1.
7. The exercise of Tender Offer must begin no later than 180 (one hundred and eighty) days since the date of publication referred to in item 4 of this rule.
8. The price of a Tender Offer in a Company Takeover must be determined as follow:
  - a. In case the Company Takeover is directly exercised over shares of the Target Company that are unlisted and not traded in exchanges, the price of the Tender Offer is at least the same as the price of the exercising price of the Company Takeover or the regular share price determined by an independent Appraiser. The determined price must be the highest one.
  - b. In case the Company Takeover is directly exercised over shares of the Target Company that are listed and traded in exchanges but within 90 (ninety) days are being idle or temporarily suspended, the price of the Tender Offer is at least the same as the highest share price within the last 12 (twelve) months prior to the last trading day or the day it is temporarily suspended, or the same as the exercising price of the Company Takeover. The determined price must be the highest one.
  - c. In case the Company Takeover is directly exercised over shares of the Target Company that are listed and traded in exchanges, the price of Tender Offer is at least the same as the highest share price within the last 90 (ninety) days prior to the date of publication required in item 4 of this rule, or the same as the exercising price of the Company Takeover. The determined price must be the highest one.
  - d. In case the Company Takeover is indirectly exercised over shares of the Target Company that are not listed and not traded in exchanges, the price of the Tender Offer is at least the same as the regular share price determined by an independent Appraiser.

- e. In case the Company Takeover is indirectly exercised over shares of the Target Company that are listed and traded in exchanges but within 90 (ninety) days are being idle or temporarily suspended, the price of the Tender Offer is at least the same as the highest share price within the last 12 (twelve) months prior to the last trading day or the day it is temporarily suspended.
  - f. In case the Company Takeover is indirectly exercised over shares of the Target Company that are listed and traded in exchanges, the price of Tender Offer at least the same as the highest share price within the last 90 (ninety) days prior to the date of publication required in item 4 of this rule.
9. If the exercise of the Tender Offer exceeds 180 (one hundred and eighty) days, the period of price determination as mentioned in item 8 letter c and f above will shift following the Tender Offer exercise period.
10. If the exercising price stipulated in item 9 is lower than the exercising price mentioned in item 8 letter c and f, the Tender Offer exercising price will use the exercising price stipulated in item 8 letter c and f.
11. Provision referred to in item 2 above is not applicable for Company Takeover resulting from:
  - a. marriage or heritage;
  - b. purchasing or acquiring the Target Company shares within every 12 (twelve) months, in the amount up to 5% (five percent) of the outstanding shares with valid voting rights;
  - c. exercising the duty and authority given by a state or governmental body or institution, which subject to laws;
  - d. direct purchasing of shares owned and/or held by a state or governmental body or institution as a result of item c above;
  - e. any Court decision or verdict that has a legal binding;
  - f. exercising rights to acquire shares of the Target Company, in which the rights derives from Securities issued by persons excluding the Target Company, prior to March 13, 2000;
  - g. joining of business or shareholder liquidation exercise;
  - h. grant in the form of shares without any agreement to obtain any reward in any form;
  - i. a certain debt guarantee that has been stated in the debt agreement, also a debt guarantee in case of a company restructuring that has been stipulated by a state or governmental body or institution, which subject to laws; and
  - j. acquirement of shares as a result of exercising Rule Number IX.D.1 and Rule Number IX.D.4
12. In the event of a Company Takeover as mentioned in item 11 above, person acting as the new controller must disclose information to the Target Company, Bapepam, and public, no later than the end of the second working day after the takeover, which includes:
  - a. the new controller identity;

- b. The amount of subject shares and share percentage before and after the takeover; and
  - c. Any other valid supporting evidences.
13. In the event of a Company Takeover mentioned in item 11 letter d, letter f and letter i, in addition to the information referred to in item 11 above, person acting as the new controller must also disclose matters as the following:
- a. Affiliation relationship (if any);
  - b. Any reason for company takeover; and
  - c. The plans of the acquirer toward the Target Company.
14. Information mentioned in item 4 and 13 of this rule must be published in 1 (one) Indonesian newspapers which has a nation wide circulation.
- The obligation is not applicable for person who acts as new controller resulting from events referred to in item 11 letter a, letter b, letter e, and letter g of this rule.
15. Without least affecting the effectiveness of criminal provision of the capital market, Bapepam has the authority to impose sanctions to any person violating this rule as follow:
- a. any violation against provision referred to in item 2 of this rule may be imposed with:
    - 1) cancellation of transaction and requirement for the new controller:
      - a) to pay fine, and
      - b) to return shares or equity shares to persons that become his transaction partner and/or pay any compensation arising from the act; or
    - 2) fines and obligation to exercise a Tender Offer;
  - b. any violation against provision referred to in item 4, item 8, item 9, item 10, item 12, and item 13 of this rule may be imposed with fine; and
  - c. any violation against provision referred to in item 6 of this rule may be imposed with cancellation of contract or suspension of business activity as stipulated in item 6, as well as fine.