

## **Summary of Key Amendments to the Articles of Association of PT Indosat Tbk (the “Company”)**

Capital Market and Financial Institution Supervisory Board (*Badan Pengawas Pasar Modal dan Lembaga Keuangan*/"**Bapepam dan LK**") Rule No. IX.J.1 on Guidelines of Articles of Association of a Company who Conduct Public Offering on Equity Securities and Public Company ("**Rule IX.J.1**") requires public companies to make adjustments to their Articles of Association to comply with the provisions of Rule IX.J.1 at the latest 30 August 2009. Therefore, the Company proposes to amend its Articles of Association to comply with Rule IX.J.1. In addition, the amendments are also proposed to clarify the provisions of Law No. 40 of 2007 on Limited Liability Company as well as to strengthen the implementation of good corporate governance in the Company and accommodate the development of the Company's activities.

The proposed key amendments to the Company's Articles of Association are as follows:

1. **Article 1 Name and Domicile**  
Adding the requirement that approval from Board of Commissioners ("**BOC**") is required to open branches, representative offices and business units in other location within or outside Indonesia.
2. **Article 3 Purposes, Objectives and Business Activities**  
To add a new business activity which is to engage in the payment transaction and money transfer service through telecommunication and information technology network.
3. **Article 4 Capital**
  - The payment of shares may be done in form of cash or in the other forms of payment, whether tangible or intangible. Such form of payment must be approved by the General Meeting of Shareholders ("**GMS**").
  - The maximum amount of shares in portfolio to be issued by way of limited public offering or increase of capital without pre-emptive rights shall be approved in a GMS, and such GMS shall delegate the authority to the BOC to declare the real amount of shares issued.
  - The increase of authorized capital which caused the issued and paid-up capital of the Company become less than 25% from the authorized capital, may be conducted upon approval of GMS and Minister of Law and Human Rights ("**MOLHR**"). Within 6 months as of the approval from MOLHR, the issued and paid-up capital should be increased to meet at least 25% of the new authorized capital. If such increased is not completed within such period, then within 2 months after the 6 months period is expired the

Company must amend its articles of association so that the issued and paid-up capital is at least 25% of its authorized capital.

4. **Article 5 Shares**

The Company may issue shares with nominal value or without nominal value, and such issuance shall be conducted in accordance to the prevailing laws and regulations in capital market.

5. **Article 7 Replacement of Shares Certificate**

The Company shall replace a missing share certificate upon obtaining a missing report from police and guarantee from the owner of the missing share certificate. The plan to issue a replacement of the share certificate shall be announced in the Stock Exchange no later than 14 days prior to such issuance.

6. **Article 9 Transfer of Shares**

The Board of Directors (“**BOD**”) may refuse to register a transfer of shares if according to the BOD such transfer did not comply with the requirements of laws and regulation in Indonesia. The BOD shall deliver a notice to refuse the registration to the transferor within 30 days after the request of registration is accepted by the BOD. For the Company’s shares which are listed in the stock exchange, each rejection to register the transfer of shares shall be in accordance to the Stock Exchange regulations where the Company’s shares are listed.

7. **Article 10 GMS**

To add that GMS may also be convened at the place where the Company conduct its business activities and through teleconference media, videoconference or by any other electronic media. Minutes of meeting shall be made in every convention of GMS through such procedure which is approved and signed by all GMS participants.

8. **Article 11 Annual GMS and Article 12 Extraordinary GMS**

The shareholders that can propose other agendas to be included in the agenda of Annual GMS and Extraordinary GMS is shareholders that, jointly or severally, representing at least 10% (ten percent) of all the subscribed shares of the Company.

9. **Article 13 Invitation to GMS**

Announcement to a GMS shall be made no later than 14 calendar days before the invitation for a GMS, excluding the date of announcement and the date of invitation.

10. **Article 15 Quorum, Resolutions and Voting Rights at the GMS**
- Quorum for attendance, voting for resolution, invitation and schedule for third GMS shall be determined by the Chairman of Bapepam and LK, provided that for transaction which has a conflict of interest, the resolution shall be approved by the independent shareholders representing more than  $\frac{1}{2}$  (one half) of shares owned by the independent shareholders present at the GMS.
  - Abstaining votes by shareholder with voting rights, who are present at the GMS, will be deemed as the same vote as the majority votes of the shareholders.
11. **Article 16 BOD**
- Resignation of the BOD members will be effective upon approval of GMS, which should be held no later than 60 days after the Company receives a resignation letter. However, if the Company does not hold a GMS within 60 days, such resignation will be effective without approval of GMS.
  - Change the BOC obligation to hold a GMS in the event that the Company has no directors or all members of the Board of Directors was temporarily suspended, from 30 days after such vacancy to become 45 days after such vacancy.
12. **Article 17 Tasks and Authority of the BOD**
- To add the following actions of BOD that requires prior written approval from BOC:
- a. conduct the expenditure of capital goods in one transaction or an inter-related transaction with a nominal value higher than the permitted value determined by the BOC from time to time;
  - b. issue bonds or other securities that can be converted into shares;
  - c. propose the issuance of new shares of the Company;
  - d. provide an indemnity to or otherwise guarantee the obligation of any person;
  - e. determine and/or change the Company's management structure;
  - f. make a new business plan or change the business plan;
  - g. change the accounting, financial, or tax practice and system of the Company or its subsidiary;
  - h. change the Company's name;
  - i. approve the financial statement provided to the shareholders in the GMS;
  - j. determine the annual budget of the Company and the annual budget of its subsidiary;
  - k. establish a subsidiary or approve the relinquishment or the reduction of its interest, whether directly or indirectly in each of the subsidiary or take over the shares in any company or relinquish any shares in any company;

- l. take any corporate actions or investments related to any subsidiary of the Company;
- m. use any right of the shareholders in the Company's subsidiary, or any other company in which the Company has share participation;
- n. approve the payment of any bonus or similar payment to the Company's employees or change the remuneration structures of employees.

The thresholds of the actions referred to in point a, b, d and n above shall be determined by the BOC and may be changed from time to time. In the event actions are taken within the applicable thresholds, then the approval from the BOC is not required.

13. **Article 18 Meeting of BOD**

To insert new mechanism to convene meeting of BOD, i.e. through teleconference, videoconference or by any other electronic media.

14. **Article 19 Conflict of Interest Transactions**

To adjust the definition of conflict of interest transaction with the definition under Bapepam dan LK Rule No.IX.E.1.

15. **Article 20 Board of Commissioners**

Resignation of the BOC members will be effective upon approval of GMS, which should be held no later than 60 days after the Company receives a resignation letter. However, if the Company does not hold a GMS within 60 days, such resignation will be effective without approval of GMS.

16. **Article 21 Duties and Authorities of BOC**

- To add the duties of the BOC, that is to give advice to the BOD.
- To amend the timing to convene GMS after BOC suspend the member of BOD from 30 days to become 45 days after the suspension of member(s) of BOD. If a GMS is not convened or cannot adopt a resolution within the 45 days period, such suspension shall automatically become void by the law.
- To add that if the BOC suspend the member of BOD, the BOC must send a written notice of such suspension within 2 days after the resolution which approving that suspension to the concerned director, with copy to the BOD.

17. **Article 23 Meeting of BOC**

To insert new mechanism to convene meeting of BOC, i.e. through teleconference, videoconference or by any other electronic media.

18. **Article 24 Accounts and Liability**  
To insert new paragraph on the obligation of the Company to announce the Balance Sheet and Profit/Loss Statement in Indonesian newspaper with nationwide circulation in accordance with the prevailing capital market laws and regulations.
19. **Article 25 Merger, Consolidation, Acquisition and Demerger**
- Add demerger to the article.
  - The resolution for merger, consolidation, acquisition and demerger must be approved by the holder of the series A share and the other shareholders who jointly represent more than 3/4 of the votes cast at such GMS.
20. **Article 27 Reserve Fund**  
Add that the Company shall use certain amount of its net profit as reserve fund until the reserve fund is equal to 20% of the paid up and issued capital of the Company.
21. **Article 28 Amendment to Articles of Association**
- Amendment to Articles of Association must be approved by the shareholders and/or their authorized representative representing more than 2/3 of the total votes cast at such GMS.
  - Amendment to Articles of Association related to demerger is valid only if attended by and approved by the holder of series A share.
  - The second GMS to approve amendment to Articles of Association must be approved by the shareholders and/or their authorized representative representing more than 1/2 of the total votes cast at such GMS.
  - BOD shall announce the reduction of the authorized capital or the issued and paid-up capital to the creditors of the Company in at least 2 daily newspapers, one of which in the Indonesian language with wide/national circulation and the other in English, at the latest within 7 days after the date of the GMS resolution on such reduction of capital.
22. **Article 29 Dissolution, Bankruptcy and Liquidation**  
Dissolution and the submission of application for bankruptcy shall be approved by the holder of the series A share and the other shareholders who jointly represent more than 3/4 of the total votes cast at the meeting.