



**PT SEMEN BATURAJA
(PERSERO) TBK**

**MEETING AGENDA
ANNUAL GENERAL MEETING OF
SHAREHOLDERS FISCAL YEAR 2018
PT SEMEN BATURAJA (PERSERO) TBK**

**Jakarta
May, 2019**



MEETING AGENDA

1. Approval of the Annual report of Directors regarding the state and the course of the Company for Fiscal Year 2018, including the report of the Supervisory Board of Commissioners during Fiscal Year 2018 and Approval of the Financial Statements for Fiscal Year 2018, while granting release and discharge full responsibility (volledig acquit et de charge) to the Board of Directors and Board of Commissioners for the actions of management and supervision that have been implemented for Fiscal Year 2018;
2. Approval of the Annual report including the Financial Report of Partnership and Community Development in FY 2018, while providing a release and discharge of responsibility (acquit et de charge) to the Board of Directors and Board of Commissioners for management and supervision of the Partnership and Community Development which had been running for Fiscal Year 2018;
3. Determination net Income utilization of the Company, including the distribution of dividends for the Fiscal Year 2018,
4. Determination of tantiem (performance bonus) to the Board of Directors and the Board of Commissioners for Fiscal Year 2018, and the income of the Board of Directors and the Board of Commissioners for the Fiscal Year 2019;
5. Approval of the appointment of public Accounting Firm to audit the Company's Financial Statements and Financial report of Partnership and Community Development in Fiscal Year 2019;
6. Delegation of authority to the Board of Commissioners of the Company to increase the issued and paid up capital related to the implementation of the MESOP Program;
7. Report of use of Proceeds from Initial Public Offering;
8. Amendments to the Company's Articles of Association;
9. Changes in the composition of the Company's Management.

AGENDA 1



Approval of the Annual report of Directors regarding the state and the course of the Company for Fiscal Year 2018, including the report of the Supervisory Board of Commissioners during Fiscal Year 2018 and Approval of the Financial Statements for Fiscal Year 2018, while granting release and discharge full responsibility (volledig acquit et de charge) to the Board of Directors and Board of Commissioners for the actions of management and supervision that have been implemented for Fiscal Year 2018;

Legal Basis :

1. Article 18 paragraph 8 of the Articles of Association. "Approval of the Annual Report includes the ratification of the financial statements referred to in paragraph (2), carried out by the Annual GMS at the latest at the end of the 5th (five) months after the fiscal year ends".
2. Article 66 of Law No. 40 of 2007 concerning Limited Liability Companies. "The Board of Directors submits an annual report to the GMS after being reviewed by the Board of Commissioners no later than 6 (six) months after the Company's fiscal year ends".
3. Article 69 of Law No. 40 of 2007 concerning Limited Liability Companies. "The approval of the annual report, including the ratification of the financial statements and the Board of Commissioners' supervisory report, is carried out by the GMS".

Eludication :

1. The Annual Report includes the Board of Commissioners Oversight Report and the Company's Annual Financial Report for Fiscal Year 2018 will be requested for approval at the Annual GMS for Fiscal Year 2018 to be uploaded on the Company's website (www.semenbaturaja.co.id) and the website Indonesia Stock Exchange website (www.idx.co.id).
2. The Company's Annual Financial Report for the fiscal year ending December 31, 2018 has been audited by the Public Accountant Office Herman Dodi Tanumihardja & Partners in accordance with his Report in letter Number: 00007 / 2.0627 / AU.1 / 04 / 1160-3 / 1 / II / 2019 dated February 14, 2019 with the opinion "Fair in all material respects".

AGENDA 2



Approval of the Annual report including the Financial Report of Partnership and Community Development in FY 2018, while providing a release and discharge of responsibility (acquit et de charge) to the Board of Directors and Board of Commissioners for management and supervision of the Partnership and Community Development which had been running for Fiscal Year 2018;

Legal Basis :

Article 18 paragraph (3) Minister of SOE Regulation No. PER-09 / MBU / 07/2015 concerning BUMN Partnership and Community Development Program. "Ratification of the Annual Report of the Partnership Program and the BL Program as well as providing repayment and acquittal at de charge to the Directors and Board of Commissioners / Supervisory Board for the management and supervision of the Partnership Program and the BL Program".

Eludication :

1. The Annual Report includes the Board of Commissioners Oversight Report and the Annual Report on the Implementation of the Partnership and Community Development Program for Fiscal Year 2018 which will be requested for approval and endorsement at the Annual GMS for Fiscal Year 2018 to be uploaded and downloaded on the Company's website ([www.semenbaturaja.co. id](http://www.semenbaturaja.co.id)) as well as the Indonesia Stock Exchange website (www.idx.co.id).
2. The Annual Report of the Partnership and Community Development Program for the fiscal year ending December 31, 2018 has been audited by the Public Accounting Firm Herman Dodi Tanumihardja & Partners in accordance with his Report in letter Number: 00005 / 2.0627 / AU.2 / 12 / 1160-3 / 0 / II / 2019 dated February 14, 2019 with the opinion "Fair in all material respects".

Determination net Income utilization of the Company, including the distribution of dividends for the Fiscal Year 2018,

Legal Basis :

1. Article 70 and 71 of the PT Law, it is stated that the use of net income including for reserves, other uses and dividends is decided by the General Meeting of Shareholders
2. Article 21 paragraph 2 letter b of the Company's Articles of Association, the Board of Directors shall submit a proposal to use the Company's net profit, if the Company has a positive profit.

Eludication :

The Company's net profit for the year ending December 31, 2018 amounted to Rp 76.07 billion, planned to be allocated, among others, to the following matters:

1. Distribution of Dividends to Shareholders and
2. Allowance.

Determination of tantiem (performance bonus) to the Board of Directors and the Board of Commissioners for Fiscal Year 2018, and the income of the Board of Directors and the Board of Commissioners for the Fiscal Year 2019;

Legal Basis :

1. Article 96 of Law No. 40 of 2007 concerning Limited Liability Companies.
2. Article 113 of Law No. 40 of 2007 concerning Limited Liability Companies. "Provisions regarding approval of payment or honorarium and benefits for members of the Board of Commissioners set by the GMS".
3. Regulation of the Minister of State Owned Enterprises Number: PER-04 / MBU / 2014 dated March 10, 2014 concerning Guidelines for Determining the Income of the Board of Commissioners, the Board of Commissioners, and the Supervisory Board of State-Owned Enterprises.
4. Articles of Association of the Company Article 11 paragraph 19.
5. Article 11 of the Financial Services Authority Regulation No. 34 / POJK.04 / 2014, which states that it does not form a Nomination and Remuneration Committee, the Nomination and Remuneration procedure must be carried out by the Board of Commissioners.

Eludication :

Based on the above rules, the amount of salary or honorarium and other benefits for members of the Directors and Board of Commissioners of the Company is determined by the GMS, where the authority of the GMS can be delegated to the Company's Board of Commissioners.

Approval of the appointment of public Accounting Firm to audit the Company's Financial Statements and Financial report of Partnership and Community Development in Fiscal Year 2019;

Legal Basis :

1. Based on article 68 of the Limited Liability Company Law, the Board of Directors is required to submit the Company's financial statements to a Public Accountant to be audited.
2. In accordance with Article 71 paragraph (1) of Law Number 19 of 2003 concerning SOEs, the examination of the company's financial statements is carried out by an external auditor determined by the GMS for Persero.
3. Financial Services Authority Regulation Number 10 / POJK.04 / 2017 concerning Plans and Organizing of a Public Company Shareholders General Meeting that in Article 36A, the Appointment of a Public Accountant must be decided at the GMS of the Public Company.
4. Article 15 paragraph 2.b.5. Company's Articles of Association.

Eludication :

The appointment of the Registered Public Accounting Firm to audit the Company's ongoing books is decided at the GMS based on a proposal from the Board of Commissioners and authorizes the Board of Commissioners to determine the Registered Public Accounting Firm.

AGENDA 6 (1/2)



Delegation of authority to the Board of Commissioners of the Company to increase the issued and paid up capital related to the implementation of the MESOP Program;

Legal Basis :

Decision of EGMS number: 20 dated March 14, 2013.

Eludication :

Based on the EGMS on March 14, 2013 as stipulated in the Minutes of the Extraordinary General Meeting of Shareholders No. 20 dated March 14, 2013 made by Fathiah Helmi, SH, Notary in Jakarta, Shareholders approved the plan for the Provision of Stock Purchasing Options to Management and Employees (Management & Employee Stock) Option Plan / MESOP).

The MESOP Program is the granting of share purchase options to program participants to buy new shares to be issued from the Company's portfolio, amounting to 1.65% (one point six five percent) of the Company's issued and paid-up capital after the Initial Public Offering. The determination of the MESOP program is authorized by the Board of Directors with the approval of the Board of Commissioners. Supervision and implementation of the MESOP program is carried out by the Board of Commissioners and its implementation follows the applicable provisions and is reported to the GMS. The Board of Commissioners consulted with the Series A Shareholders before giving approval to the Directors in setting the MESOP program. The shares to be issued in connection with the implementation of the MESOP program will come from the Company's portfolio of shares.

AGENDA 6 (2/2)

Based on the Company's Prospectus for June 20, 2013, the distribution of option rights will be conducted in 2 (two) stages:

- The First Stage is a maximum of 40% (forty percent) of the total number of option rights in the MESOP Program on the date of listing of the Company's shares on the Indonesia Stock Exchange;
- Second Stage as much as 60% (sixty percent) of the total number of option rights in the MESOP Program on the first anniversary of listing of shares on the Indonesian stock exchange on the Indonesia Stock Exchange.

The MESOP Program Option Rights issued can be used to purchase the Company's shares for 5 (five) years from the date of issuance (Option Life) in 2013 - 2019.

In 2017-2018 the Company has implemented the MESOP program with the following details:

Tahapan Program MESOP	Jumlah Hak Opsi	Total Eksekusi MESOP	Sisa Hak Opsi
Tahap I	64.928.160	41.497.544	23.430.616
Tahap II	97.392.240	53.358.292	44.033.948
Total	162.320.400	94.855.836	67.464.564

The remaining phase I option rights expire on June 26, 2018 and the remaining 44,033,948 MESOP program option rights will be exercised on May 2, 2019 to June 20, 2019.

Report of use of Proceeds from Initial Public Offering;

Legal Basis :

POJK No. 30 / POJK.04 / 2015 dated 16 December 2015 concerning Realization Report on the Use of Funds from Public Offering. (POJK 30).

Article 6 paragraph (1) Public Company must be responsible for the realization of the use of funds resulting from the Public Offering in each annual GMS until all the funds from the Public Offering have been realized.

Article 7 paragraph (2) "In the event that all funds resulting from a Public Offering have been realized, the responsibility for the realization of the use of the latest funds must be submitted at the nearest annual GMS to be held".

All proceeds from the public offering have been fully used to finance the Baturaja II factory construction project based on Letter number: UM.05.09 / 1389A / 2018 dated April 6, 2018 regarding Report on the Use of Proceeds from the public offering that has been submitted to OJK and IDX through information disclosure.

Amendments to the Company's Articles of Association;

Legal Basis :

Announcement of Ministry of Law and Human Rights c.q Director General of General Law Administration and Ministry of Economy c.q OSS Institutions, Companies that have not used the 2017 KBLI, must adjust their purposes and objectives and business activities according to the 2017 KBLI within a period of 1 (one) year

Eludication :

- Companies that have not used the 2017 Indonesian Business Field Standard Classification (KBLI), are required to adjust their goals and objectives and business activities in the Company's Articles of Association in accordance with the 2017 KBLI within a period of 1 (one) year after the Business Identification Number (NIB) is issued.
- PT Semen Baturaja (Persero) Tbk ("SMBR") already has a Business Identification Number (NIB) issued on September 25, 2018, thus SMBR is required to make an amendment to the Articles of Association before September 25, 2019.
- Sanctions for not matching SMBR's business activities with the 2017 Indonesian Business Field Standard (KBLI) prior to this period are the freezing of the SMBR Main Business Number (NIB).

Changes in the composition of the Company's Management

Legal Basis :

Article 5 paragraph 4.c.2 and Article 11 paragraph 10 of the Company's Articles of Association stipulates that prospective members of the Board of Directors and members of the Board of Commissioners can only be nominated by Dwiwarna Series A shareholders.

Eludication :

SOE Minister's Letter number: S-221 / MBU / 04/2019 dated 12 April 2019 regarding additional proposals for the Annual General Meeting of Shareholders for the 2018 fiscal year PT Semen Baturaja (Persero) Tbk

In accordance with article 15 paragraph 7 of the Financial Services Authority Regulation No. 32 / POJK-04/2014 dated 8 December 2014 concerning Plans and Holding of a General Meeting of Shareholders of a Public Company which regulates that:

In the case of a meeting agenda regarding the appointment of members of the Board of Directors and / or members of the Board of Commissioners, a curriculum vitae of prospective members of the Board of Directors and / or members of the Board of Commissioners to be appointed must be available at a time other than the time referred to in letter a but no later than when the GMS is convened. , as long as it is regulated in laws and regulations.

Therefore, material related to the agenda of the Company's Management Change Meeting will be delivered by the Dwiwarna Series A shareholders at the time of the GMS

Thank You

