

**EXPLANATION OF AGENDA  
ANNUAL GENERAL MEETING OF SHAREHOLDERS  
(AGMS)  
PT SEMEN INDONESIA (PERSERO) Tbk.**

**April 30<sup>th</sup>, 2018**



PT Semen Indonesia (Persero) Tbk.



Together We Build A Better Future

1. Approval of the Annual Report on the situation and the course of the Company for the Financial Year 2017 including the Report of the Supervisory Board of Commissioners for the Financial Year 2017 and Approval of the Financial Statements for the Financial Year 2017 simultaneously granting release and full discharge of all responsibilities (volledig acquit et decharge) to the Board of Directors and Board of Commissioners for the management and supervision that has been carried out for the Financial Year 2017.
2. Validation of the Annual Report of Partnership and Community Development Program Financial Year 2017 simultaneously granting release and discharge of all responsibilities (acquit et decharge) to the Board of Directors and Board of Commissioners for the management and supervision of the Partnership and Community Development Program that has been carried out for the Financial Year 2017.
3. Determination of the use of the Company's net profit for Financial Year 2017.
4. Determination of Tansiem Financial Year 2017, salary for the Board of Directors and honorarium for the Board of Commissioners, which includes facilities and other benefits for the Year 2018.
5. Approval of the appointment of a Public Accounting Firm ("KAP") to audit the Company's Financial Statements which includes the audit of Partnership and Community Development Program Report Financial Year 2018 and other periods in Financial Year 2018.
6. Accountability for the Use of Proceeds from Public Offering of the Revolving Bond I of Semen Indonesia Phase I of 2017.
7. Amendment to the Company's Articles of Association.
8. Ratification of Minister of SOE Regulation No.PER-03/MBU/08/2017 dated August 14, 2017 regarding the Partnership Guidelines of SOE and No.PER-04/MBU/09/2017 dated September 13, 2017 regarding the Amendment to the Minister of SOE Regulation No.PER-03/MBU/08/2017 regarding the Partnership Guidelines of SOE.
9. Change in the Company's Management Composition.

## Agenda

1. Approval of the Annual Report on the situation and the course of the Company for the Financial Year 2017 including the Report of the Supervisory Board of Commissioners for the Financial Year 2017 and Approval of the Financial Statements for the Financial Year 2017 simultaneously granting release and full discharge of all responsibilities (volledig acquit et decharge) to the Board of Directors and Board of Commissioners for the management and supervision that has been carried out for the Financial Year 2017

## Legal Basis

- (i) Article 18 paragraph (9) and (10) of Company's Article of Association, (ii) Article 69 paragraph (1) of Law No.40 of 2007 on Limited Liability Company ("Company Law"), and (iii) Article 23 paragraph (1) of Law No.19 of 2003 on State-Owned Enterprises ("SOE Law").

# AGENDA 1 (CONTINUED)



## Explanation

Annual report regarding the situation and the course of the Company is compiled based on Law No.40 of 2007 on Limited Liability Companies. The book can be accessed through the Stock Exchange website and the Company's website ([www.semenindonesia.com](http://www.semenindonesia.com)) or can be obtained in the Company Office if Semen Indonesia Office if requested in writing by the Shareholders.

This AGMS will disclose and request approval from the Shareholders regarding: (i) The Company's Annual Report for the financial year that ended in 31 December 2017 which includes the Board of Commissioner's Supervisory Actions Report and the Validation of Company's Financial Statements Financial Year 2017 has been audited by the Public Accounting Firm Satrio Bing Eny & Partners member of Deloitte Touche Tohmatsu Limited in accordance with its report in the letter No. GA118 0100 SI FAN dated February 23, 2018 with the opinion "reasonable in all aspects, the financial position of PT. Semen Indonesia and its subsidiaries on 31 December 2017, as well as its financial performance and cash flow for said fiscal year is in accordance with the Financial Accounting Standards in Indonesia.", and (ii) Granting release and full discharge of all responsibilities (*volledig acquit et de charge*) to the Board of Directors and the Board of Commissioner for the management and supervision that has been carried out for the Financial Year 2017, as long as it was not a criminal offense and/or violates applicable legal provisions and terms, along with the recording in the company's Financial Statements and does not conflict with the country's provisions and regulations.

## Agenda

Validation of the Annual Report of Partnership and Community Development Program Financial Year 2017 simultaneously granting release and discharge of all responsibilities (acquit et decharge) to the Board of Directors and Board of Commissioners for the management and supervision of the Partnership and Community Development Program that has been carried out for the Financial Year 2017

## Legal Basis

Article 18 paragraph (3) Minister of SOE Regulation No.PER-09/MBU/2015 as amended with Minister of SOE Regulation No.PER-02/MBU/07/2017 regarding Partnership and Community Development Program of SOE.

# AGENDA 2 (CONTINUED)



## Explanation

Partnership and Community Development Program Report includes: Financial Statements, Partnership Program Report, Community Development Program Implementation Report and Social and Environmental Responsibility Report. The book can be accessed through the Stock Exchange website and the Company's website ([www.semenindonesia.com](http://www.semenindonesia.com)) or can be obtained in the Company Office if Semen Indonesia Office if requested in writing by the Shareholders.

This AGMS will disclose and request approval from the Shareholders regarding: (i) Annual Report of Partnership and Community Development Program of the Financial Year 2017 that was compiled based on the PKBL Financial Statements which was audited by the Public Accounting Firm Satrio Bing Eny & Partners member of Deloitte Touche Tohmatsu Limited in accordance with its report in the letter No.GA118 0093 PKBLSI FAN dated February 20, 2018 with the opinion "reasonable in all aspects, the financial position of the PT. Semen Indonesia's Partnership and Community Development Program on December 31, 2017, as well as its financial performance and cash flow for said fiscal year is in accordance with the Financial Accounting Standards of Entities without Public Accountability in Indonesia", also granting release and full discharge of all responsibilities (*acquit et decharge*) to the Board of Directors and the Board of Commissioner for the management and supervision of the Partnership and Community Development Program that has been carried out for the Financial Year 2017, as long as it was not a criminal offense and/or violates applicable legal provisions and terms, along with the recording in the Company's Financial Statements and does not conflict with the country's provisions and regulations, and (ii) Partnership and Community Development Program Report Financial Year 2017 of Subsidiary is validated by the Shareholders of the Subsidiary.

## Agenda

Determination of the use of the Company's net profit for Financial Year 2017

## Legal Basis

Article 26 paragraph (1) of Company's Article of Association and Article 71 of Company Law.

## Explanation

The Company's consolidated net profit of the financial year that ended on 31 December 2017 amounting Rp2.043.025.914.000 will be allocated to dividends and retained earning. To determine the net profit, the Company is still conducting an analysis to determine the amount of dividend, which will be disclosed at the AGMS Fiscal Year 2017. For more details you may refer to the 2017 Financial Statements as has been provided on the Company's website.

## Agenda

Determination of Tansiem Financial Year 2017, salary for the Board of Directors and honorarium for the Board of Commissioners, which includes facilities and other benefits for the Year 2018

## Legal Basis

(i) Article 11 paragraph (19) and Article 14 paragraph (30) of Company's Article of Association, (ii) Article 96 and Article 113 of Company Law, and (iii) Minister of SOE Regulation No.PER-04/MBU/2014 as amended with Minister of SOE Regulation No.PER-01/MBU/06/2017 on Guidelines for Remuneration of Board of Directors, Board of Commissioners, and Supervisory Board in SOE.

## Explanation

The Company will suggest to the AGMS to: (i) approve to grant power and authority to the Board of Commissioners of the Company, which beforehand has to be approved by the Shareholder Serie A Dwiwarna, to determine the amount of tansiem, including the method and mechanism of granting it to the members of the Board of Directors and Board of Commissioners for performance in the fiscal year 2017, and (ii) grant power and authority to the Board of Commissioners of the company, which beforehand has to be approved by the Shareholder Serie A Dwiwarna, to determine the salary of the Board of Directors and honorarium for the Board of Commissioners of the Company including benefits, facilities and other benefits for the fiscal year 2018.



## Agenda

Approval of the appointment of a Public Accounting Firm ("KAP") to audit the Company's Financial Statements which includes the audit of Partnership and Community Development Program Report Financial Year 2018 and other periods in Financial Year 2018

## Legal Basis

(i) Article 18 paragraph (4) of Company's Article of Association, (ii) Article 68 of Company Law, (iii) Article 71 of SOE Law, and (iv) Article 17 and Article 18 Minister of SOE Regulation No.Per-09/MBU/07/2015 regarding Partnership and Community Development Program as amended with Minister of SOE Regulation No.PER-02/MBU/07/2017 regarding Partnership and Community Development Program of SOE.

## Explanation

The recommended Public Accountant Firm proposed by the Board of Commissioners and be appointed by the AGMS to audit the Company's reports. Based on the prevailing regulations, the Company may appoint the same Public Accounting Firm for a maximum of 6 (six) consecutive Financial Years and by the same Public Accountant for a maximum to three (3) consecutive Financial Years. The appointing of a Public Accounting Firm is still in the procurement process.

## Agenda

Accountability for the Use of Proceeds from Public Offering of the Revolving Bond I of Semen Indonesia Phase I of 2017

## Legal Basis

Financial Services Authority Regulation ("FSA Regulation") No.30/POJK.04/2015 regarding Report on the Realization of Funds from the Public Offering.

## Explanation

On June 20, 2017, PT. Semen Indonesia have published a Sustainable Public Offering (PUB) of Semen Indonesia Revolving Bond I Phase I of 2017. The bonds amount to Rp 3 trillion with an interest rate of 8.6% p.a. term of 5 (five) years. Based on FSA Regulation No.30/POJK.04/2015, the Issuer is obliged to account for the realization of the use of the proceeds from the Public Offering in every AGMS and is obliged to be included as one of the Agenda of the AGMS.

## Agenda

Amendment to the Company's Articles of Association

## Legal Basis

(i) Article 25 paragraph (5) and Article 28 of Company's Article of Association, (ii) Article 19 paragraph (1) of Company Law, and (iii) Letter of the Ministry of SOE No.S-178/MBU/03/2018 dated March 28, 2018 regarding the Proposed Agenda for PT. Semen Indonesia's Annual General Meeting of Shareholders Financial Year 2017.

## Explanation

Based on Article 25 paragraph (5) jo. Article 28 of Company's Article of Association and Article 19 paragraph (1) of Company Law, the amendment of the Company's Articles of Association shall be determined by AGMS.

## Agenda

Ratification of Minister of SOE Regulation No.PER-03/MBU/08/2017 dated August 14, 2017 regarding the Partnership Guidelines of SOE and No.PER-04/MBU/09/2017 dated September 13, 2017 regarding the Amendment to the Minister of SOE Regulation No.PER-03/MBU/08/2017 regarding the Partnership Guidelines of SOE

## Legal Basis

(i) Letter of the Ministry of SOE No.S-178/MBU/03/2018 dated March 28, 2018 regarding the Proposed Agenda for PT. Semen Indonesia's Annual General Meeting of Shareholders Financial Year 2017 and (ii) Article 10 Minister of SOE Regulation No.PER-03/MBU/08/2017 regarding the Partnership Guidelines of SOE as amended with Minister of SOE Regulation No.PER-04/MBU/09/2017 regarding the Amendment to the Minister of SOE Regulation No.PER-03/MBU/08/2017 regarding the Partnership Guidelines of SOE.

## Explanation

Based on Article 10 Minister of SOE Regulation No.PER-03/MBU/08/2017 regarding the Partnership Guidelines of SOE, implementation of the regulation shall be determined by AGMS.

## Agenda

Change in the Company's Management Composition

## Legal Basis

The resignation of a member of Company's Board of Commissioner.

(i) Article 14 paragraph (25) of Company's Article of Association, (ii) FSA Regulation No.33/POJK.04/2014 regarding Board of Directors, Board of Commissioners of Public Company, and (iii) Minister of SOE Regulation No.PER-02/MBU/02/2015.

## Explanation

- Mr. Djamari Chaniago has resigned from his post as the Independent Commissioner of the Company.
- In order to comply with the FSA Regulation No.33/POJK.04/2014 and Company's Article of Association, on January 29, 2018, the Company has reported on full disclosure the request for resignation of Mr. Djamari Chaniago.
- The request for resignation will be decided in the Company's AGMS.



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