

## **DESCRIPTION OF AGENDA ANNUAL GENERAL MEETING OF SHAREHOLDERS**

PT Indo Tambangraya Megah Tbk (“**Company**”) will convene its Annual General Meeting of Shareholders (“**Meeting**”) on 25 March 2019, at 09.00 am, at the Emerald Meeting Room, Sheraton Grand Jakarta Hotel – Gandaria City, Jl. Sultan Iskandar Muda, Jakarta.

Each Meeting agenda will be explained and presented in detail during the Meeting and the following are the brief description of the agenda

**Agenda 1 : Approval of the Annual Report and Ratification of the Financial Statement of the Company for the financial year 2018**

Description:

The Board of Directors and the Board of Commissioners reported management of the Company during the financial year ended 31 December 2018 in the Annual Report including Sustainability Report and the Company’s performance in the Annual Consolidated Financial Statement for the period ended 31 December 2018 that has been audited by public accountant KAP Tanudiredja, Wibisana, Rintis & Rekan (member of PricewaterhouseCoopers) signed on 21 February 2019.

**Agenda 2 : Determination of the utilization of the Company’s net profit for financial year 2018**

Description:

The use of Company net profit to be proposed in the Meeting includes the dividend payment. The Company’s policy on dividend is to distribute cash dividends from its net profit with payout ratio approximately 60%, after taking into account the rate of profit earned, allowance for reserves and business expansion program unless decided otherwise by the Meeting.

Historically, the Company has consistently paid cash dividend to the shareholders and for the first half 2018 performance, with the approval of the Board of Commissioners, the Company has executed cash interim dividend payment with payout ratio of 100% of the consolidated net profit amounted IDR1,420 per share, paid on 16 November 2018. The Company will propose to the Meeting to pay the balance of the final dividend based on the ratio to be decided by the Meeting.

**Agenda 3 : Appointment of a Public Accountant to audit the financial statement of the Company for financial year 2019**

Description:

The Audit & Risk Oversight Committee recommended to the Board of Commissioners to appoint Yusron Fauzan as Public Accountant from KAP Tanudiredja, Wibisana, Rintis & Rekan (member of PricewaterhouseCoopers) as the Independent Public Accountant to audit the Company’s Annual Statements for the Financial Year of 2019 at their quoted service fee of IDR1,514,100,000 considering that KAP Tanudiredja, Wibisana, Rintis & Rekan is the Company’s current independent public accountant.

The Board of Commissioners agreed with the recommendation and is hereby proposed to the Meeting on the appointment of Yusron Fauzan as Public Accountant from KAP Tanudiredja, Wibisana, Rintis & Rekan, to conduct audit work for the financial year 2019, at the audit fee of IDR1,514,100,000.

**Agenda 4 : Determination of the remuneration package for the members of the Board of Commissioners and Board of Directors of the Company for financial year 2019**

Description:

In accordance with Article 96 paragraph 1 of Law No. 40 of 2007 concerning Limited Liability Company (“UUPT”), the amount of the salary and the benefits/allowances of each Director shall be decided by the General Meeting of Shareholders, however, Article 96 paragraph 2 of the UUPT and Article 20 paragraph 5 of the Company’s Articles of Association, the said authority may be delegated to the Board of Commissioners.

The provisions on the amount of the salary and the benefits/allowances for each member of the Board of Commissioners shall be decided by the General Meeting of Shareholders pursuant to Article 113 of the UUPT and Article 22 paragraph 8 of the Company’s Articles of Association. In regards thereto, the Board of Commissioners proposes to the Meeting the 2019 total remuneration of the Board of Commissioners at the amount of IDR8.5 billion and to authorize the President Commissioner to determine the distribution among the members.

**Agenda 5 : Amendment of Article 19 paragraph 2 of the Company’s Articles of Association**

Description :

The latest amendment to IDX regulation No. I-A regarding the Listing of Shares and Equity Shares Other than the Shares Issued by the Listed Companies (refer to IDX BOD Decree No. 000183/BEI/12-2018) (“**IDX I-A**”) which was recently passed in December 2018, no longer require the appointment of an Independent Director.

Agenda 5 is proposed and held to accommodate the latest amendment of IDX I-A, by amending Article 19 paragraph 2 of the Articles of Association, by removing the obligation to appoint Independent Director.

**Agenda 6 : Change of composition of the Board of Commissioners and Board of Directors**

Description:

The term of office of the existing members of the Board of Directors and the Board of Commissioners will expire at the closing of AGMS which will be convened in 2019 and therefore, it is proposed to the Meeting, reappointment of the said members of the Board of Directors and the Board of Commissioners.

Referring to IDX I-A and the resolution in Agenda 5, Mr. Muliarto is proposed to be reappointed as Director.

To fulfill the requirement as stated in Article 20 paragraph (3) of the *Otoritas Jasa Keuangan* (Financial Services Authority or “**OJK**”) Regulation No. 33/POJK.04/2014 concerning the Board of Directors and the Board of Commissioners of Issuers or Public Companies, which stated that if the Board of Commissioners consists of more than 2 (two) members, the number of Independent Commissioners should be accounted for at least 30% (thirty percent) of the total number of members of Board of Commissioners, it is proposed to the Meeting to appoint an additional Independent Commissioner to comply with the required ratio of Independent Commissioner. The proposed candidate for a new Independent Commissioner is Mr. Mahyudin Lubis.

Those proposed as new members of the Board of Commissioners and the Board of Directors (which profiles are described in the below part of this agenda) have been processed through the SD, GCG, Nomination and Compensation Committee, thus, the Board of Commissioners recommends to the Meeting adoption of the proposal.

Upon the approval of and the closing of Meeting, the composition of the Board of Commissioners and the Board of Directors will be as follows:

Board of Directors

President Director	Kirana Limpaphayom
Deputy President Director	A.H. Bramantya Putra
Director	Jusnan Ruslan
Director	Stephanus Demo Wawin
Director	Yulius Kurniawan Gozali
Director	Mulianto
Director	Ignatius Wurwanto
Director	Padungsak Thanakij

Board of Commissioners

President Commissioners & Independent Commissioner	Prof. Dr. Djisman S. Simandjuntak
Commissioner	Somruedee Chaimongkol
Commissioner	Fredi Chandra
Commissioner	Somsak Sithinamsuwan
Independent Commissioner	Prof. Djoko Wintoro, PhD
Independent Commissioner	Mahyudin Lubis

Profile of the proposed new member of the Board of Commissioners is as follow:

Name	: Mahyudin Lubis
Birthdate	: 20 January 1952
Education	: 1997 Bachelor Degree on Mining Engineering – Institute of Technology Bandung
Experience/Career	: 2017 – 2018 Commissioner of PT Indo Tambangraya Megah Tbk
	: 2016 – 2018 President Commissioner of PT Indominco Mandiri, PT Kitadin, PT Bharinto Ekatama, PT Jorong Barutama Greston
	: 2016 – 2018 Commissioner of PT ITM Indonesia, PT Tambang Raya Usaha Tama, PT ITM Energi Utama, PT ITM Batubara Utama, PT ITM Banpu Power
	: 2012 – 2015 <i>Advisor</i> to Board of Directors of PT Indo Tambangraya Megah Tbk
	: 2007 – 2012 Direktur PT Indo Tambangraya Megah Tbk dan PT Kitadin
	: 2006 – 2007 <i>Advisor</i> to Board of Directors of PT Indo Tambangraya Megah Tbk
	: 2003 – 2008 Commissioner of PT Tambang Batubara Bukit Asam (Persero) Tbk
	: 2001 – 2006 Director of Coal and Mineral Business, Department of Energy and Mineral Resources of the Republic of Indonesia
	: 1998 – 2001 Head of Riau Province Mining and Energy Office
	: 1997 – 1998 Director of Coal, Department of Mining and Energy
: 1988 – 1997 Deputy Director of Mining and Environment, Department of Energy and Mineral Resources of the Republic of Indonesia	

The profile of the existing members of the Board of Directors and the Board of Commissioners which are nominated to be reappointed are available at the Company's Profile of Annual Report 2018 of the Company.

**Agenda 6 : Report on the utilization of proceeds from the Initial Public Offering**

Description:

In compliance with OJK Regulation No. 30/POJK.04/2015 dated 16 December 2015 concerning the Report of Use of the Proceeds from the Initial Public Offering (“IPO”), the Company hereby report the utilization of proceeds of Company’s IPO in 2007, per 31 December 2018 as follow:

Description	IPO Fund (IDR)	Allocations (IDR)	Realization per 31 Dec 2018 (IDR)
Total IPO Fund	3,163.7 billion		
IPO expenses	99.5 billion		
Net IPO Fund	3,064.2 billion		
Indominco Bontang Coal Terminal		656.3 billion	699.5 billion
Indominco Power Plant		234.4 billion	126.1 billion
Indominco East Block		187.5 billion	180.0 billion
Bharinto Mine		468.8 billion	418.7 billion
Loan Repayment		900.9 billion	905.0 billion
Acquisition (business expansion)		616.2 billion	
Total Usage of IPO Fund per 31 Dec 2018		3,064.2 billion	2,329.4 billion
Balance of IPO Fund per 31 Dec 2018	211.2 billion	Equivalent to USD16 million is placed in USD currency term deposit with interest rate of 2.70% - 2.75%, 1-month tenor, in non-affiliated banks.	

Jakarta, 25 February 2019

**The Board of Directors**