

3.2. PRINCIPLE B: EQUITABLE TREATMENT OF SHAREHOLDERS

A corporate governance practice is also assessed through the company's effort in doing its responsibilities to guarantee equal treatment to its shareholders. Therefore, the OECD defines equitable treatment of shareholders as the second principle in implementing good CG practice by the company.

The principle of Equitable Treatment of Shareholders consists of 5 (five) key parameters as follows:

1. Shares Ownership and Voting Rights
2. Notice of AGMS
3. Insider Trading and abusive self-dealing should be prohibited
4. Related party transactions by the Board of Commissioners and Directors
5. Protecting minority shareholders from abusive action

B.1 Share Ownership and Voting Rights.

This parameter consists of 2 (two) items as the assessment indicators.

CG SCORE FOR PARAMETER B.1 (Share Ownership and Voting Rights)				
No	Questions	"Yes" or "No" or "N/A" Answer	SCORE	Compliance Status (comply or not comply)
B.1.1	Do the company's ordinary or common shares have one vote for one share?	Yes	1	Default answer Yes
B.1.2	Where the company has more than one class of shares, does the company publicise the voting rights attached to each class of shares (e.g. through the company website / reports/ the stock exchange/ the regulator's website)?	N/A	0	Not available
TOTAL CG SCORE for Parameter B.1			1	

PT Selamat Sempurna Tbk (SMSM) has fully implemented item B1.1. Item B.1.2 is not relevant to the company (N/A) because the company only has 1 type of stock.

B.2 Notice of AGMS

This parameter consists of 5 (five) items as the assessment indicators. The following is the assessment result for these items:

CG SCORE FOR PARAMETER B.2 (Notice of AGMS)				
No	Questions	"Yes" or "No" or "N/A" Answer	SCORE	Compliance Status (comply or not comply)
B.2.1	Does each resolution in the most recent AGM deal with only one item, i.e., there is no bundling of several items into the same resolution?	Yes	1	Comply
B.2.2	Are the company's notice of the most recent AGM/circulars fully translated into English and published on the same date as the local-language version?	Yes	1	Comply
	Does the notice of AGM/circulars have the following details:			
B.2.3	Are the profiles of directors/commissioners (at least age, qualification, date of first appointment, experience, and directorships in other listed companies) in seeking election/re-election included?	N/A	0	Not Available
B.2.4	Are the auditors seeking appointment/re-appointment clearly identified?	No	0	Not Comply
B.2.5	Documents required to be proxy/ Were the proxy documents made easily available?	Yes	1	Default answer Yes
TOTAL CG SCORE for Parameter B.2			3	

Item B.2.3 becomes irrelevant because at the AGMS 2020, PT Selamat Sempurna did not conduct BOC/BOD election. The following is an explanation for the assessment item above that has not been done or complied with by the company (1 assessment item):

- B.2.4 requests information disclosure on external auditor who will be appointed at the AGMS. Furthermore, the information requested regarding the related external auditor is the name of the external auditor that assigned to conduct an audit at the company, not the name from Office of the External Auditor. The

assessment result indicate that the AGMS' invitation (notice to call) did not contain the information, thus the company has not complied with this assessment item.

B.3 Insider Trading and Abusive Self-dealing Should Be Prohibited

This parameter consists of 2 (two) items as the assessment indicators. The following is the assessment result of these items:

CG SCORE FOR PARAMETER B.3 (Insider Trading and Abusive Self-dealing Should Be Prohibited)				
No	Questions	"Yes" or "No" or "N/A" Answer	SCORE	Compliance Status (comply or not comply)
B.3.1	Does the company have policies and/or rules prohibiting directors/commissioners and employees to benefit from knowledge which is not generally available to the market?	Yes	1	Default answer Yes
B.3.2	Are the directors and commissioners required to report their dealings in company shares within 3 business days?	No	0	Not Comply
TOTAL CG SCORE for Parameter B.3			1	

The following is an explanation for the assessment item above that has not been done or complied with by the company (1 assessment item):

- B.3.2 requests disclosure to each commissioners and directors that it is mandatory to report transactions related to their shares in the company to be reported immediately within 3 working days. The assessment result shows that the company has not complied with this item.

B.4 Related Party Transactions by the Board of Commissioners and Directors

This parameter consists of 4 (four) items as the assessment indicators. The following is the assessment result of the items:

CG SCORE FOR PARAMETER B.4 (Related Party Transactions by the Board of Commissioners and Directors)				
No	Questions	"Yes" or "No" or "N/A" Answer	SCORE	Compliance Status (comply or not comply)
B.4.1	Does the company have a policy requiring directors /commissioners to disclose their interest in transactions and any other conflicts of interest?	Yes	1	Default answer Yes
B.4.2	Does the company have a policy requiring a committee of independent directors/commissioners to review material/significant RPTs to determine whether they are in the best interests of the company and shareholders?	Yes	1	Default answer Yes
B.4.3	Does the company have a policy requiring board members (directors/commissioners) to abstain from participating in the board discussion on a particular agenda when they are conflicted?	Yes	1	Default answer Yes
B.4.4	Does the company have policies on loans to directors and commissioners either forbidding this practice or ensuring that they are being conducted at arm's length basis and at market rates.	No	0	Not Comply
TOTAL CG SCORE for Parameter B.4			3	

The following is an explanation for the assessment item above that has not been done or complied with by the company (1 assessment item):

- B.4.4 requests an explicit policy statement regarding the prohibition of loans to Directors and Commissioners or a policy ensuring that the loan is made at a due period and a reasonable interest rate. Based on the assessment result, there was no information disclosure that indicates the company had fulfilled or complied with the assessment indicator for this practice.

B.5 Protecting minority shareholders from abusive actions

This parameter consists of only 2 (two) items which were used as an assessment indicator as follows;

CG SCORE FOR PARAMETER B.5 (Protecting minority shareholders from abusive actions)				
No	Questions	"Yes" or "No" or "N/A" Answer	SCORE	Compliance Status (comply or not comply)
B.5.1	Does the company disclose that RPTs are conducted in such a way to ensure that they are fair and at arms' length?	Yes	1	Comply
B.5.2	In case of related party transactions requiring shareholders approval, is the decision made by disinterested shareholders?	Yes	1	Default answer Yes
TOTAL CG SCORE for Parameter B.5			2	

PT Selamat Sempurna Tbk, has complied with all of the assessment items above.

The following is the recapitulation of the assessment result for principle B (Equitable Treatment of Shareholders):

THE ASSESSMENT RESULT OF CG PRACTICES ON EQUITABLE TREATMENT OF SHAREHOLDERS PRINCIPLE

CG SCORE FOR EQUITABLE TREATMENT OF SHAREHOLDERS PRINCIPLE				
No	Key Parameters	Number of Items Complied with Each Parameter	Number of Items	Score per Component
1	Shares Ownership and Voting Rights	1	1	100%
2	Notice of AGMS	3	4	75%
3	Insider Trading and Abusive Self-dealing Should be Prohibited	1	2	50%
4	Related Party Transactions by the Board of Commissioners and Directors members	3	4	75%
5	Protecting Minority Shareholders from Abusive Action	2	2	100%
TOTAL ITEMS THAT COMPLY WITH EQUITABLE TREATMENT OF SHAREHOLDERS		10	13	76,92%

* There are 2 assessment items/questions that are not assessed (N/A), thus the number of items in principle B that counted are only 13 questions.