



**PT AKR Corporindo Tbk
Domiciled in West Jakarta
("the Company")**

**Invitation to the
Annual General Meeting Of Shareholders
And Extraordinary General Meeting Of Shareholders**

We hereby inform the Shareholders of the Company, that the Company will hold an Annual General Meeting of Shareholders ("AGMS") and Extraordinary General Meeting of Shareholders ("EGMS" that jointly with AGMS hereinafter referred to as the "Meeting") to be held on:

Day/Date : Tuesday, April 30th, 2019
Time : 10.00 a.m. – finish
Venue : Bandahara Ballroom
Mercantile Athletic Club
Penthouse (18th Floor) World Trade Center I,
Jl. Jend. Sudirman Kav 31, Jakarta 12920

With the following Agenda:

AGMS:

1. Approval and ratification of the Report of the Board of Directors regarding the course of the Company's business and financial administration for the financial year ended on December 31st, 2018 as well as the approval and ratification of the Company's Financial Statements including the Balance Sheet and Profit/Loss Statement for the year ended on December 31st, 2018 that have been audited by the Independent Public Accountant, and the approval of the Company's Annual Report, the report of the Board of Commissioners supervisory duties for the fiscal year ended on December 31st, 2018, and to provide settlement and discharge of responsibility (acquit et de charge) to all members of the Board of Directors and Board of Commissioners for the actions of management and supervision that have been conducted in the fiscal year ended on December 31st, 2018.
2. Approval for the proposed plan of the Company's Net Income usage for the fiscal year ended December 31, 2018.
3. Appointment of Independent Public Accountant Firm to conduct audit of the books of the Company for the financial year ending December 31, 2019.
4. Changes to the composition of the Board of Management of the Company.
5. Determination of salaries and other allowances of the members of the Board of Directors as well as honorarium and other allowances for the members of the Board of Commissioners.

EGMS:

1. Approval of changes to (i) article 3 of the Company's Articles of Association relating to Business Purposes, Objectives and Activities, in order to fulfill the terms and conditions of Government Regulation Number 24 Year 2018 regarding the Electronic Integrated Business Licensing Services and the addition of supporting business activities of the Company; and (ii) modification to provisions in article 18 of the Company's Articles of Association relating to the Board of Commissioners to realign with OJK Regulation No. 33/POJK.04/2014 regarding Board of Directors and Board of Commissioners of Public Company.
2. Approval to grant authorization to the Board of Commissioners for every increase in issued/paid up of the Company in connection to the exercise of option with regard to the MSOP program, including adjusting to the number of Options if there is a stock split which has been decided by the Annual General Meeting of Shareholders and conducted under the provisions of legislation in force.

Explanatory Statement

Dear Esteemed Shareholders,

The Board of Directors of PT AKR Corporindo Tbk (the "Company") hereby presents to the Company's Shareholders the following Explanatory Statement, regarding the resolutions to be approved at the Company's Annual General Meeting of Shareholders, to be held on April 30, 2019, at 10:00am (West Indonesia Time)

- 1. Approval and ratification of the Report of the Board of Directors regarding the course of the Company's business and financial administration for the financial year ended on December 31st, 2018 as well as the approval and ratification of the Company's Financial Statements including the Balance Sheet and Profit/Loss Statement for the year ended on December 31st, 2018 that have been audited by the Independent Public Accountant, and the approval of the Company's Annual Report, the report of the Board of Commissioners supervisory duties for the fiscal year ended on December 31st, 2018, and to provide settlement and discharge of responsibility (acquit et de charge) to all members of the Board of Directors and Board of Commissioners for the actions of management and supervision that have been conducted in the fiscal year ended on December 31st, 2018.**

***Explanation:** With respect to above meeting agenda, the Company will provide explanations to the shareholders regarding the implementation of Company's business activity during the fiscal year 2018 and the financial position as listed in the Company's Financial Report for the fiscal year ended December 31, 2018. Based on Article 10 paragraph 5 of Company's Articles of Association, the approval of the Financial Report as stated above will provide release and full acquit (acquit et de charge) to all members of the Board of Directors and Board of Commissioners for the actions of management and supervision which have been done in the fiscal year ended December 31, 2018.*

Explanatory statement :

The Financial statements for the year ended December 31, 2018 have been audited by Purwantono, Sungkoro & Surja (a member firm of Ernst & Young Global Limited) and the Audit report dated March 14th, 2019 stated that the consolidated financial statements present fairly, in all material aspects, the consolidated financial position of the Company and its subsidiaries as on December 31, 2018.

The annual report for the year ended December 31, 2018, is available for download on the Company's website or IDX website on the following link - <http://www.akr.co.id/annual-report>

The Resolution to be approved by the AGM is to approve the Annual report of the Board of Directors and Board of Commissioners detailing the strategies employed, financial performance and other matters listed in the report. The Board of Directors hereby requests the shareholders to approve and ratify the Report.

According to Indonesian corporate law, shareholders are required to provide the approval of the Annual Report so that to provide full discharge (acquit et de charge) to all members of the Board of Directors and Board of Commissioners for all their actions stated in the Annual Report.

Overall, AKR reported a good financial performance during 2018, with 29% increase in Sales revenue to Rp23,548 bn, supported by the trading distribution of petroleum and basic chemicals segment and a 37% increase in Profit for the year attributable to the equity shareholders of the company to Rp 1,645 bn in 2018. Key Highlights of 2018 performance are as follows:

	UOM	2018	2017	% Δ
Sales and Revenues	Rp bn	23,548	18,287.9	29%
Gross Profit	Rp bn	1,555	1,867	-17%
Operating Profit	Rp bn	936	1,137	-18%
Net Income	Rp bn	1,645	1,202	37%
	%	7.0%	6.6%	
ROA	%	8.2%	7.1%	
ROE	%	19.6%	15.9%	

2. Approval for the proposed plan of the Company's Net Income usage for the fiscal year ended December 31, 2018.

Explanation: With respect to above mentioned agenda, the AGM will discuss and decide regarding the appropriation of the company's net income for year ended on December 31, 2018. Based on the legislation set in (i) Article 22 verse 1 of Company's Articles of Association and (ii) Article 70 and Article 71 verse (1) the Law of Limited Liabilities Companies No. 40 year 2007 ("UUPT"), the use of company's net income is to be decided in GMS.

Explanatory statement:

The Profit (loss) for the year ended 31st December 2018 attributable to equity holders of the parent entity is Rp 1,645 billion. The Board of Directors proposed that the appropriation be as follows :

- i. Appropriation of Rp 200 million towards the general reserve of the Company
- ii. The company has a dividend policy to payout a minimum of 30% provided the Net Profit is higher than Rp 50 billion. The Company over the past decade has consistently paid a dividend in excess of 30% . For the year 2018, the Company proposes to pay a cash dividend of Rp 240 per share equivalent to approximately Rp963 billion or 59% of Net Profit attributable to equity holders subject to set off of interim dividend paid. The Company had paid an interim dividend for the year 2018 of Rp120 per share equivalent to approximately Rp481 billion on August 3, 2018. Therefore, if approved, the remaining cash dividend of Rp 120 /share shall be paid within 30 days from the date of approval. The Board of Directors have evaluated the cash flow requirements and recommend the AGM to approve payment of the dividend proposed.

Below are figures of dividend payment from the year 2014 - until 2018:

Year	Rp/share	Rp billion	% payout
2014	80	313	39%
2015	120	474	46%
2016	120	479	47%
2017	200	801	67%
2018*	240	963	59%

* subject to AGM approval

- iii. The unappropriated portion of Net profit attributable to equity holders shall be used for internal funding requirement of the Company.

3. Appointment of Independent Public Accountant Firm to conduct audit of the books of the Company for the financial year ending December 31, 2019.

Explanation: With respect to above mentioned agenda, the AGM will discuss regarding the appointment of Independent Public Accountant, registered with Financial Services Authority (“OJK”) who will be appointed to conduct audit of the books of the account for fiscal year ending on December 31, 2019. The Company seeks approval from shareholders to authorize the Board of Commissioners of the Company to appoint the public accountant, with the condition that the public accountant appointed shall be registered with OJK and delegate authority to determine the amount of honorarium payable.

Explanatory statement :

This agenda is for the appointment of an Independent Public Accountant to audit the Company’s books for the fiscal year 2019. Purwantono, Sungkoro & Surja, a member of Ernst & Young Global Limited, which is registered with OJK and who audited the Company’s accounts in the financial year 2018 being eligible and also have expressed their interest in being re-appointed as the Independent public accountant for the financial year ending December 31, 2019.

The Board of Commissioners are satisfied with the services rendered in the previous years and being one of TOP 4 audit firms in the World, recommend the re-appointment of Purwantono, Sungkoro & Surja, a member of Ernst & Young Global Limited, to audit the books of accounts for the fiscal year 2019.

The total amount of honorarium paid for the audit of the Company during 2018 to the Public accountant is Rp 1,360,000,000.

The table below shows the Accountant and Public Accountant Firm that conducted the Company’s Financial Audits for the past five years and the cost incurred as also disclosed in Annual Report 2018:

Fiscal Year	Public Accounting Firm Name	Auditor Name	Fee
2018	KAP Purwantono, Sungkoro & Surja (Members of Ernst & Young Global Limited)	Benyanto Suherman	Rp. 1,360,000,000
2017	KAP Purwantono, Sungkoro & Surja (Members of Ernst & Young Global Limited)	Benyanto Suherman	Rp. 1,310,000,000
2016	KAP Purwantono, Sungkoro & Surja (Members of Ernst & Young Global Limited)	Feniwati Chendana, CPA	Rp1,245.000.000
2015	KAP Purwantono, Sungkoro & Surja (Members of Ernst & Young Global Limited)	Feniwati Chendana, CPA	Rp1,198,500,000
2014	KAP Purwantono, Suherman & Surja (Members of Ernst & Young Global Limited)	Feniwati Chendana, CPA	Rp1,150,000,000

In case the appointed Independent Public accountant is not able to perform its duties for any reason, the Company seeks approval from shareholders to authorize the Board of Commissioners of the Company to appoint a replacement for appointed public accountant for the financial year ending December 31, 2019 and to determine the amount of honorarium and other requirements.

4. Change to the composition of the Board of Management of the Company.

Explanation: With respect to above agenda, the Company seeks an approval from Shareholders to change: (i) the composition of the Board of Commissioners. According to the Articles 15 verse 7 the regulations of OJK No. 32/POJK.04/2014 regarding the Plan and Implementation of General Meeting of Shareholders of Public Company ("POJK No. 32"); the curriculum vitae of candidate of Board of Commissioners of the Company which will be presented at the Meeting is available on the website of the Company from the invitation of Meeting until the date of the Meeting; and (ii) the nomenclature of the Board of Directors of the Company related to the position of Independent Director.

Explanatory statement :

With respect with agenda (i) the Company proposes to effect changes to the Board of commissioners by accepting resignation of Commissioner resigning and appointment of New commissioner in his place:

Mr. Mahendra Siregar, Commissioner of the Company has served notice to the Company on 28 February 2019 of his desire to be relieved from the duties as Commissioner of Company wef from the date of this Annual General Meeting as he has been appointed by the President of the Republic of Indonesia as the Ambassador of the Republic of Indonesia to the United States in Washington DC;

The Board of Commissioners and the Majority shareholder propose the appointment of Mr. Agus D.W. Martowardojo as a Commissioner of the Company.

Curriculum vitae of Candidate of BOC member is available at: <http://www.akr.co.id/news-detail/curriculum-vitae-of-candidate-of-boc-member>. Mr. Martowardojo previously served as Governor of the Indonesian Central Bank (2013-2018) and Finance Minister under President Susilo Bambang Yudoyono (2010-2013). He has experience of over 30 years in financial industry, including as a CEO of Bank Mandiri, the largest bank in Indonesia.

With respect to the agenda (ii)" the Company proposes to change *nomenclature of the Board of Directors of the Company related to the position of Independent Director.*"

On 26 December 2018, IDX issued the new listing rule Decree of the Board of Directors of IDX No. Kep-00183/BEI/12-2018 (available for download on : <https://www.idx.co.id/en-us/regulation/listing-regulation/>).

The new Rule provides new requirements for listing on the IDX and introduces some important changes and clarifies several items that are not clearly regulated under the old rule, one of them being adjustment of the Corporate Governance Provisions relating to the Independent Director :

In New Listing Regulation, IDX has revised the corporate governance provisions with regard to the independent commissioner, independent director, audit committee, internal audit unit, and corporate secretary. This is to avoid overlapping rulings among capital market authorities as OJK has issued specific regulations governing similar matters. IDX will hence follow OJK regulations on corporate governance requirements.

Financial Services Authority (OJK) Regulation No. 33/2014, states that independent Commissioners who monitor and advise the board of directors should comprise at least 30 percent of the board of commissioners and are members of the auditing committee.

The Indonesia Stock Exchange (IDX) issued a regulation on December 27, 2018 stating that as good governance would be maintained through independent commissioners, who have better-defined roles than independent directors and hence in order to avoid overlap and duplication of positions, required all publicly listed companies to remove the position of independent director from their Board of directors.

To comply with the above regulation issued by IDX it is proposed that the nomenclature of the Independent Director of the Company Mr. Arief Budiman Utomo, who was appointed by AGM dated May 5, 2015 be changed from that of "Independent Director" to "Director".

5. Determination on salaries and other allowances of the members of the Board of Directors as well as honorarium and other allowances for the members of the Board of Commissioners.

***Explanation:** With respect to above agenda, the Company proposes to the meeting to determine the salaries and allowance of Board of Directors and honorarium and benefit of Board of Commissioners.*

Explanatory statement :

This agenda is to approve :

- a. Determination on honorarium and other allowances for the Board of Commissioners and to authorize the President Commissioner to determine the distribution of honorarium among the members of the Board of Commissioners, by taking into account the opinion of the Company's Remuneration and Nomination Committee.
- b. Delegation of authority to the Company's Board of Commissioners to determine the salary and other allowances for each member of the Board of Directors, by taking into account the opinion of the Company's Remuneration and Nomination Committee.

EGMS:

1. **Approval of changes to (i) article 3 of the Company's Articles of Association subject Business Purposes, Objectives and Activities, in order to the fulfillment of the terms and conditions of Government Regulation Number 24 year 2018 regarding the Electronic Integrated Business Licensing Services and the addition of supporting business activities of the Company; and (ii) provisions in article 18 of the Company's Articles of Association subject the Board of Commissioners as realignment with OJK Regulation No. 33/POJK.04/2014 regarding Board of Directors and Board of Commissioners of Public Company.**

***Explanation:** With respect to above agenda, the Company seeks an approval from Shareholders to amend:*

(i) article 3 of the Company's Articles of Association subject Business Purposes, Objectives and Activities, in order to the fulfill the terms and conditions of Government Regulation Number 24 year 2018 regarding the Electronic Integrated Business Licensing Services,

This change therefore does not constitute changes of main business activities as set forth in Bapepam-LK Regulation No. IX.E.2 regarding Material Transaction and the Changes of Main Business Activities; and

(ii) provisions in article 18 of the Company's Articles of Association relating to minimum number of members of Board of Commissioners to align with OJK Regulation No. 33/POJK.04/2014 regarding Board of Directors and Board of Commissioners of Public Company.

Explanatory statement :

With regards to (i), this Resolution is to approve changes to article 3 of the Company's Articles of Association regarding Business Purposes, Objectives and Activities.

Government of Indonesia has implemented Online Single Submission System (<https://www.oss.go.id/oss/#>) set forth by Government Regulation No. 24 Year 2018 regarding Electronic Integrated Business Licensing Services, on 21 June 2018. To obtain any permit according to the new regulation; the government requires that the purpose, objectives and business activities stated in the Company's article of association **have to be in accordance to** the list of activities registered in the **new Indonesian Business Field Classifications** (*Klasifikasi Baku Lapangan Usaha Indonesia – KBLI 2017*) and /or provisions of legislation from relevant agencies. Hence, we are seeking to amend article 3 of the Company's Articles of Association, specifically on the business purpose, objective and activities of the company.

With regards to (ii) explanation is as follows :

It is proposed that the Provisions in article 18 of the Company's Articles of Association regarding the Board of Commissioners may be realigned with OJK Regulation No. 33/POJK.04/2014 regarding Board of Directors and Board of Commissioners of Public Company.

OJK Regulation No. 33/POJK/04/2014 chapter 3, article 20 states as follows:

- (1) The Board of Commissioners shall at least consist of 2 (two) members.
- (2) If the Board of Commissioners consists of 2 (two) members, 1 (one) of them shall be an Independent Commissioner

The Company's Current Articles of Association states that the Board of Commissioners shall consist of at least 3 (three) members; If this revision is approved the Articles of the Company will be amended to provide for Board of Commissioners to consist at least 2 (members).

2. Approval to grant authorization to the Board of Commissioners for every increase in issued/paid up of the Company in connection to the exercise of option with regard to the MSOP program, including adjusting to the number of Options if there is a stock split which has been decided by the Annual General Meeting of Shareholders and conducted under the provisions of legislation in force.

***Explanation:** With respect to above mentioned agenda, the EOGM will discussed and decide upon granting of authority to the Board of Commissioners of the Company to implement the decisions of the GMS regarding the increase in issued/paid up capital of the Company in accordance with Article 41 paragraph 1 and 2 UUPT.*

Explanatory Statement:

The MSOP program has been approved during Extraordinary General Meeting of Shareholders held during the year 2015.

The Company seeks approval of EGMS to amend the Articles of Association to increase the Paid up share capital based on the number of options exercised and grant the authority to Board of Commissioners to file necessary documents to give effect to the resolutions of the AGM subsequent to the exercise of options under MSOP program. The authority granted to Board of Commissioners is for the period of one (1) year therefore it needs to be extended every year. We provide brief details of the MSOP 2015 program for the period of April 2016- April 2019 as follows:

MSOP Program	Number of Option	Exercise Price	Number of Option Shares Exercised	Number of Option Shares Not Yet Exercised	Number of Option Shares Not Taken Up As Per 8 April 2019
I (2015)	30,000,000	Rp 5,355	22,745,750	0	7,254,250
II (2016)	30,000,000	Rp 6,096	6,041,000	0	23,959,000
III (2017)	30,000,000	Rp 6,461	45,000	24,000,000	5,955,000

After the AGM on 3 May 2018, there was no exercise until 8 April 2019. The implementation of MSOP 2015 program for the that period is as follow:

MSOP Program 2015	1-8 October 2018	1-8 April 2019
I (2015)	0	0
II (2016)	0	0
III (2017)	0	0
Jumlah	0	0
% additional new shares	0%	0%
Total outstanding shares	4,014,694,920	4,014,694,920

Note:

1. The Meeting Announcement have been submitted by the Company through the daily newspaper Bisnis Indonesia, Indonesia Stock Exchange website and Company website www.akr.co.id on Friday, dated on March 22, 2019.
2. The Company does not send a separate invitation letter to shareholders, therefore this announcement is in accordance with Article 11 paragraph 7 (a) of the Articles of Association of the Company and serves as official invitation to the Shareholders.
3. Shareholders who are entitled to attend or be represented at the Meeting are:
 - a. For shares of the Company which are not deposited in Collective Custody:

Shareholders or legal proxies of shareholders of the Company whose names are registered in the Register of Shareholders of the Company as of April 5, 2019 at the latest 04.00 p.m. (Western Indonesian Time) at PT Raya Saham Registra, Securities Administration Bureau of the Company domiciled in Jakarta and located at Gedung Plaza Sentral, 2nd Floor Jl. Jend. Sudirman Kav. 47-48 Jakarta 12930 Indonesia, Phone: 62-21-2525666, Facsimile: 62-21-2525028 (Biro Administrasi Efek or "BAE");

- b. For shares of the Company which are deposited in Collective Custody:

Only the shareholders or legal proxies of the shareholders of the Company whose names are registered with the account holder or custodian bank at PT Kustodian Sentral Efek Indonesia ("KSEI") as of April 5, 2019 at the latest 04.00 p.m. (Western Indonesian Time). For KSEI securities account holders in Collective Custody, they are required to give the Register of Shareholders to KSEI in order to obtain Written Confirmation for the Meeting (Konfirmasi Tertulis Untuk Rapat or "KTUR").

4. Shareholders or their proxies who will attend the meeting are kindly requested to bring and submit the copy of the Collective Share Certificate and Identity Card or other valid identification to the officers of the Company's BAE, prior to entering the meeting room. The Shareholders in collective custody shall bring KTUR which can be obtained through exchange members or custodian bank.
5.
 - a. Shareholders who are unable to attend the meeting can be represented by the proxies by bringing a valid power of attorney as determined by the Company's Board of Directors which rules that a member of the Board of Directors, Board of Commissioners and the staff members, is eligible to act as proxy to shareholders in this meeting, having set that the votes that they cast will not be counted during the voting session.
 - b. Proxy forms can be obtained during the business hours in the office of BAE, which is PT Raya Saham Registra, Securities Administration Bureau of the Company domiciled in Jakarta and located at Gedung Plaza Sentral, 2nd Floor Jl. Jend. Sudirman Kav. 47-48 Jakarta 12930 Indonesia, Phone: 62-21-2525666, Facsimile: 62-21-2525028.
6. All the Power of Attornies must be received by the Board of Directors at the office of the BAE at the address as stated in item 5.b above, no later than three (3) working days prior to the date of the Meeting by 04.00 pm.
7. For Shareholders in the form of legal entities such as limited liability companies, cooperatives, foundations or pension funds are required to bring a copy of their completed Articles of Association.

8. Meeting materials are already available in the office of the Company as of the date of this invitation until the date of the Meeting and copies of such materials can be obtained by the Shareholders through a written request to the Company.
9. The Shareholders who attend the Meeting shall wearing formal dress and polite (not allow to wear jeans, short pant, t-shirts, sneakers or sandals).
10. To facilitate a swift conduct of the Meeting, the shareholders or their proxies are kindly requested to be present at the Meeting venue at least of 30 (thirty) minutes before the Meeting begins.

Jakarta, 8 April 2019
Board of Directors

Contacts for further clarification and explanation:

Ricardo Silaen

Head of Investor Relation & Corporate Secretary
email : ricardo.silaen@akr.co.id

Can also download information from www.akr.co.id.
Tel: 62-21-531 1110 Ext 28035(Ricardo) /28043 (Agus)