

## **Board of Commissioners Report**

### **PT. Communications Cable Systems Indonesia, TBK**

Dear shareholders

Praise and Gratitude We extend to The God for the blessings and mercy bestowed on us all especially PT Communication Cable Systems Indonesia TBK. We continuously supervise and follow the company's development. On this good occasion, allow us to submit an annual report of the Company's performance year 2019. In this report we provide complete information about our views on the company's directors ' performance, our business prospects to our views on the company's governance.

#### **View of the Company's directors ' performance**

We have the view that the performance of Board of Director (BOD) is good. The company grew significantly compared to the year 2018. In 2019, the company's assets grew from Rp. 347.5 billion to 452 billion. Profit before tax grew from 47 billion to Rp. 74 billion. Net profit also grew from 34.9 billion to Rp. 55.5 billion. In carrying out its business activities, the board of Directors applies the principles of prudence It is seen from the cash and cash equivalents that are high enough in the year 2019 IE Rp. 79.8 billion, while the year 2018 only Rp. 27 billion.

#### **Monitoring of the company's strategic implementation**

The Board of Commissioners (BOC) intensively supervise the implementation of the company's strategy. Supervision is conducted through a joint meeting of the Board of Commissioners with Board of Directors, so that the Board of Commissioners receive direct confirmation from the board. The BOC is also actively attending the board of directors ' meetings in pioneering strategic projects. In addition, the establishment of the Audit Committee by the BOC is quite a role in supervising the company's business activities. The Audit committee routinely conducts monitoring, either through internal auditors or through supervision to external auditors.

#### **View of the company's business prospects**

If viewed from the aspect of demand or need, the company's business prospects are good enough because the needs of telecommunication infrastructure in Indonesia, especially the land or sea optical cable will continue to increase, so the company has a great opportunity. In addition broadband network penetration is also still low. In terms of technology, it is currently entering the era of 5G technology. For that, the fibre optic cable becomes the most widely used product in today's modern communication technology. Other opportunities through the government's Village development program that will require Internet access will increase the demand for fiber optic cables.

### **View of corporate governance implementation**

Since the establishment of the company, the implementation of corporate governance is well-established. The company complies with the prevailing regulations and has received several ISO certifications including ISO 18001, ISO 9001, ISO 14001, ISO 45091 and Telkom Ciqs 2000. Each work unit also has a SOP. The company is also transparent to the information that can be accessed by all stakeholders through the company's website. The company's concern to the environment around the company's business activities has been running through CSR. It proves that the principles of corporate governance are well-established.

### **Giving advice to the board of Directors**

Mechanism conducted in advising the board of directors through a joint meeting of the Board of Commissioners with Board of directors. In addition, the BOC assisted by the Audit Committee will always supervise the board of directors. With the Audit committee report, the Board of Commissioners provides instructions, advice and recommendations to the board of directors.

### **Board of Commissioners composition changes**

There was no change in the composition of the Board of Commissioners in 2019.

### **Appreciation**

We would like to thank our shareholders for the trust given. Appreciation and accolades that highest also we convey to all directors and employees for the achievement of the company's performance that grows significantly. We hope in the coming year, the company's performance continues to grow sustainably.

On behalf of the Board of Commissioners