No : 011/SUS/EXT/II/2019

Jakarta, 8th February 2019

Datuk Darrel Webber
Chief Executive Officer
Roundtable on Sustainable Palm Oil (RSPO)
Unit A-37-1, Menara UOA Bangsar,
No 5 Jalan Bangsar Utama 1,
Kuala Lumpur 59000, Malaysia

Re: PT Salim Ivomas Pratama Tbk ("SIMP") Resignation from RSPO Membership

Dear Sir,

Referring to RSPO letter dated 4th February 2019, and our Letter No. 005/ECSR-JKT/1/2019 dated 17th January 2019 from PT PP London Sumatra Indonesia Tbk ("Lonsum") regarding the withdrawal from the RSPO Certification Scheme (see attached), we hereby submit this letter as notice for the official resignation of PT Salim Ivomas Pratama Tbk ("SIMP") Group from the RSPO membership effective immediately.

We are one of the pioneers and have been an active member of RSPO since 2004 through the membership of Lonsum, one of the Group's subsidiaries; and, in 2007 SIMP followed suit. Whilst RSPO is voluntary, we have supported RSPO as an independent and objective body to guide us on our sustainability programs. The RSPO Principles and Criteria (P&C) are constantly evolving, and we have always complied with the recommendations and non-conformities (NC's) arising from the RSPO audits through the years, to ensure we remain compliant with RSPO P&C.

However, the Group is extremely disappointed with the way RSPO Complaints Panel handled the case filed against Lonsum. Despite our strong commitment to continuously improve and comply with the legal and RSPO requirements for sustainable palm oil production, RSPO still decided to immediately suspend one of Lonsum's mills without providing us sufficient support and time, and furthermore:

1. The Complaints Panel did not take note or include any of our comments on the draft audit report, including documentary evidence to verify our compliance with Indonesian Regulations.
2. We have been repeatedly denied the opportunity to have a formal meeting with the Complaints Panel to discuss the draft audit report and our comments.

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3. The Complaints Panel have not replied to our question to explain the material inconsistency in findings between the verification audit carried out from the 4th to 7th June 2018, and the previous 23 RSPO accredited audits as mentioned in our previous correspondence.

As a Group with listed entities in Indonesia and Singapore, we take our compliance obligations very seriously. We fully comply with Indonesian Department of Manpower Regulations, and all applicable Indonesian Laws and Regulations. We have seven Unions represented in our operations, and we have no outstanding issues with them.

Moving forward, we have therefore decided to focus our sustainability journey and practices on the implementation of the mandatory Indonesia Sustainable Palm Oil (ISPO) standards.

We also would like to take this opportunity to thank RSPO for the cooperation and for providing us with a comprehensive guidelines and standards for sustainable palm oil development.

Thank you for your attention.

Yours sincerely,

Muhammad Waras
Group Head of Sustainability
PT Salim Ivomas Pratama Tbk

CC :

1. RSPO Board of Governors
2. RSPO Complaints Panel
3. RSPO Indonesia
4. Gabungan Pengusaha Kelapa Sawit Indonesia (GAPKI)
5. File

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