

ATTACHMENT :

Decision of the Chairman of Capital
Market and Financial Institutions
Supervisory Agency (CMFISA)

Number : Kep-13/BL/2009

Date : 30 January 2009

**RULE NUMBER III.B.3 : REQUIREMENTS OF CANDIDATES FOR
DIRECTORS AND COMMISSIONERS OF A
CLEARING GUARANTEE INSTITUTION**

1. General Requirements

- a. Clearing Guarantee Institution must have at least 2 (two) directors.
- b. The Clearing Guarantee Institution Board of Commissioners examine required number and positions needed for Clearing Guarantee Institution 's directors and submit it to Bapepam and LK no later than 121 (one hundred twenty one) days before the Shareholders General Meeting to appoint the directors of the Clearing Guarantee Institution .
- c. In examining the number and positions neede for Clearing Guarantee Institution' directors, the board of commissioners may establish a committee with or without involving other parties, in accordance with this rule, Rule No. III.B.1, and the existing organization structure of Clearing Guarantee Institution.
- d. In determining the positions for directors of Clearing Guarantee Institution, the board of commissioners must consider the activities which will be the responsibility of each director's position in Clearing Guarantee Institution as referred to in item 11 and 12 of this rule.
- e. If within the given submission period as specified in letter b above board of commissioners has not yet submitted the total number and positions needed for directors of Clearing Guarantee Institution, Bapepam and LK will then decides directly the number and positions needed for directors of Clearing Guarantee Institution .
- f. Bapepam and LK decides the number and positions needed for directors of Clearing Guarantee Institution no later than 109 (one hundred and nine) days before Shareholders General Meeting to appoint the directors of the Clearing Guarantee Institution.
- g. By considering the development of activities and operational needs of Clearing Guarantee Institution, Bapepam and LK may add the director of Clearing Guarantee Institution within the existing directors.

2. Requirements for Directors of a Clearing Guarantee Institution
 - a. Each directors of a Clearing Guarantee Institution must meet the following requirements:
 - 1) Be an individual who has Indonesian citizenship and are legally competent;
 - 2) has a good character and morals;
 - 3) has never been declared bankrupt or been the directors who were responsible for causing a company to go bankrupt;
 - 4) has never been found guilty of a criminal act;
 - 5) has never committed a disgraceful act in the Capital Market in particular and in the financial sector in general;
 - 6) has never been involved in a material violation of the Capital Market Law and regulations;
 - 7) has a good understanding of the Capital Market Law and regulations and broad knowledge of the development of domestic and international capital market;
 - 8) be committed to the development of Clearing Guarantee Institution and the Indonesian Capital Market in general;
 - 9) has a good understanding of good corporate governance and risk management principles.
 - b. In addition to the requirements in letter a above, candidates for directors must fulfill the following requirements:
 - 1) at least 1 (one) candidate must have experience as a director in a company conducting business in risk management and/or; investment management in a company conducting business in finance;
 - 2) The other candidates for directors of Clearing Guarantee Institution must have experience:
 - a) as director position in a company conducting business in finance at least 5 (five) years;
 - b) in managerial position in the field of information technology at least 3 (three) years and have sufficient knowledge of company technology information in a company conducting business in finance;
 - c) in managerial position at least one level below director or equivalent position in capital market institution supervisory agency and/or an organization authorized by Capital Market Law to regulate its own activities, at least 3 (three) years; and

- d) as legal professionals, accountancy, or finance which have actively practiced in the capital market for at least 5 (five) years; and
 - 3) For the candidates who is proposed as the president director of Clearing Guarantee Institution, in addition to the requirement in letter a and b, must also have a strong leadership capacity.
3. Procedures for Proposing Candidates for Directors of Clearing Guarantee Institution
- a. Candidates for directors of a Clearing Guarantee Institution must be nominated by majority shareholders of the Clearing Guarantee Institution.
 - b. In proposing candidates for director of a Clearing Guarantee Institution, majority shareholders of the Clearing Guarantee Institution referred to in letter a above are responsible for selecting and examining candidates for directors, making sure that those candidates have expertise, experience, and responsibility for each director's position as referred to in item 1, item 11 and item 12 of this rule and negotiating or recommending salaries and other benefits for each candidate for director of the Clearing Guarantee Institution by considering suggestion from Remuneration Committee referred to in item 10 letter c of Rule Number III.B.8 (if any).
 - c. Candidates for directors of Clearing Guarantee Institution must be proposed to Bapepam dan LK by majority shareholders of Clearing Guarantee Institution referred to in letter a above in one package of candidates of directors of Clearing Guarantee Institution in accordance with the requirements referred to in item 1, item 11, and item 12.
 - d. The one packaged proposal referred to in letter c is not applicable for proposing the candidates for director of Clearing Guarantee Institution for the purpose of fulfilling the vacant position of director of Clearing Guarantee Institution or adding a new candidate for director of Clearing Guarantee Institution.
 - e. In proposing the candidates of directors of Clearing Guarantee Institution to Bapepam and LK, a majority shareholder of Clearing Guarantee Institution must attach in 2 (two) copies the following documents:
 - 1) curriculum vitae of the candidates;
 - 2) a statement form each candidates stating that he/she has fulfilled the requirements referred to in item 2 letter a item 3), item 4), item 5), item 6), and item 8);
 - 3) an Identification Card from each of the candidates;

- 4) a statement regarding the relationship or affiliation of the candidates with other candidates from Clearing Guarantee Institution, commissioners of Clearing Guarantee Institution, Members of Securities Exchange that have member of the Clearing Guarantee Institution.
- 5) a copy of diplomas and certificates of expertise that indicate the level of competence of the candidate (if any);
- 6) a statement from each individual proposed as a candidate for director which contains, among other things: willingness to be elected as a director of Clearing Guarantee Institution responsible for each respective duties referred to in item 11 and item 12 and willingness to work in the best possible manner with other commissioners and directors of Clearing Guarantee Institution in order to implement Clearing Guarantee Institution activities that are orderly, fair, and efficient;
- 7) a statement by each candidate for a director not to have a position as a member of a board of directors or commissioners, or as an employee of another company or institution, when elected as a director of Clearing Guarantee Institution.
- 8) a response to the questions in attachment 1 to this rule regarding the integrity of the candidates for directors of Clearing Guarantee Institution using Form III.B.3-1;
- 9) three (3) recent color photographs measuring 10 by 15 centimeters (post card);
- 10) an explanation of the selection and examination process of candidates for director from the majority shareholders of Clearing Guarantee Institution referred to in item 3 letter a, including the negotiation of the salary and other benefits for candidates that become members of the board of directors declaring how the process was carried out in a professional manner and not influenced by interests related to affiliations or interests other than those of the Clearing Guarantee Institution in particular and the Capital Market in general;
- 11) a strategic plan of director of Clearing Guarantee Institution which is in line with vision and mission of Clearing Guarantee Institution;
- 12) a statement from each candidate for director of Clearing Guarantee Institution that makes clear that when the candidate for director of Clearing Guarantee Institution becomes a director of Clearing Guarantee Institution, he/she will not use Clearing Guarantee Institution assets or engage in transaction and give any kind of benefits to Parties affiliated with him/her, other directors

of, commissioners of Clearing Guarantee Institution, and/or Persons affiliated with commissioners of Clearing Guarantee Institution ; and

- 13) a statement from candidates for directors declaring, among other things:
 - a. willingness not to have shares or not to be controller either directly or indirectly of Securities Companies during the term of office as the directors of the Clearing Guarantee Institution; and
 - b. willingness not to control either directly or indirectly Issuers or Public Companies and or not transfer shares of Issuers or Public Companies that they have 6 (six) months after their term of office expires.
- f. The submission of the name of the candidates for Clearing Guarantee Institution directors by the majority shareholders of the Clearing Guarantee Institution as provided in letter a and c above along with supporting documents as provided in letter e above must be received completely by Bapepam and LK no later than 56 (fifty six) days before the Shareholders General Meeting to appoint the directors of the Clearing Guarantee Institution. In the event of missing documents, the submission is deemed to be complete after the missing documents have been submitted to Bapepam and LK.

4. Fit and Proper Test

- a. Each candidate for director of Clearing Guarantee Institution must pass fit and proper test conducted by a Committee established by the Chairman of Bapepam and LK.
- b. Committee Members referred to in letter a consist of 5 (five) members comprise the chairman of Bapepam and LK as the chairman and also the member of the Committee, and 4 (four) Bapepam and LK officers at the level of bureau head as the members.
- c. Fit and proper test must be attended by at least 3 (three) Committee members.
- d. Committee conducts the fit and proper test of candidates for directors of Clearing Guarantee Institution by examining, among others, administrative documents, interview, and/or asking for presentation.
- e. In conducting the fit and proper test, Committee may be assisted by experts who have specific expertise that is from external of Bapepam and LK.
- f. Fit and proper test is conducted to examine that the candidates have fulfilled the integrity and competency requirements.

- g. The integrity requirements referred to in letter f above are, among other things:
 - 1) capable of doing legal action;
 - 2) have good character and morals;
 - 3) have never been declared bankrupt or been a commissioner or director who has responsible for causing a company to go bankrupt;
 - 4) have never been found guilty of criminal act;
 - 5) have never committed a disgraceful act in the capital market in particular or in the financial sector in general;
 - 6) have never engaged in a material violation of the Capital Market law and regulations;
 - 7) be committed to the development of Clearing Guarantee Institution and Indonesian Capital Market.
 - h. The competency requirements referred to in letter f are, among other things:
 - 1) have a good understanding of the Capital Market law and regulations and broad understanding of domestic and International Capital Market;
 - 2) have a good understanding of good corporate governance and risk management principles;
 - 3) have sufficient background or experience, as provided in item 2 letter b or letter c; and
 - 4) have Capital Market expertise and/or expertise in the required field as required in item 2 letter b item 1) and item 2) point b).
 - i. Based on the fit and proper test referred to in letter d above, Bapepam and LK submits the result of the tests to the group of majority shareholders of Clearing Guarantee Institution that proposed the candidates for directors of Clearing Guarantee Institution no later than 21 (twenty one) days after the proposal is received completely.
5. In the case where in a list of package of candidates for director of Clearing Guarantee Institution proposed by majority shareholders referred to in item 3 letter a and c there is candidate who does not pass fit and proper test, majority shareholders of Clearing Guarantee Institution members can then resubmit the proposal with new candidate for director of Clearing Guarantee Institution to replace the failing candidates for director of Clearing Guarantee Institution to Bapepam and LK no later than 14 (fourteen) days after Bapepam and LK announces the results to the majority shareholders of Clearing Guarantee Institution members, in

- accordance with the requirements referred to in item 2 and item 3 letter a, b, c, and e.
6. If all the documents are complete and all requirements are fulfilled, Bapepam and LK submit the approval letter and the list of candidates package for directors of Clearing Guarantee Institution along with copy of documents of the candidates to the board of directors of Clearing Guarantee Institution no later than 7 (seven) days after Shareholders General Meeting.
 7. The board of directors of the Clearing Guarantee Institution must submit to the exchange members the list(s) of candidates for director of Clearing Guarantee Institution that is sent by Bapepam and LK as referred to in item 6 along with copy of documents of the candidates as referred to in item 3 letter e no later than 1 (one) working day after receiving the list of candidates. The list of candidates for director of Clearing Guarantee Institution along with the photocopy of documents of the candidates must be available and can be accessed by shareholders and public.
 8. Shareholders General Meeting and procedures for electing directors of Clearing Guarantee Institution
 - a. The announcement regarding invitation for the Shareholders General Meeting of the Clearing Guarantee Institution must be made 14 (fourteen) days before the date of the invitation to the Shareholders General Meeting. The announcement shall contain the plan to elect directors for Clearing Guarantee Institution.
 - b. The notification of invitation for the Shareholders General Meeting shall be announced 14 (fourteen) days before the meeting is held without considering the date of the invitation and the date of Shareholders General Meeting. The invitation shall contain the plan to elect directors for Clearing Guarantee Institution.
 - c. Director for each position as referred to in number 6, is elected and appointed based on majority voting in Shareholder General Meeting which fulfils composition as required in item 2 point b.
 - d. The electing and appointing of the candidates of director for Clearing Guarantee Institution in one package of candidates referred to in letter c above are not applicable for electing and appointing the candidates of director for Clearing Guarantee Institution to fulfill a vacant director seat or to add the candidates of director for Clearing Guarantee Institution.
 - e. Shareholders General Meeting to elect the directors of the Clearing Guarantee Institution must be chaired by the president commissioner or, one of the other commissioners of the Clearing Guarantee Institution in the absence of the president commissioner.

- f. A candidate who has been elected as a director for Clearing Guarantee Institution referred to letter c above shall have the right to withdraw before appointed by Shareholders General Meeting.
 - g. In Shareholders General Meeting the candidates of directors of Clearing Guarantee Institution must explain their strategic plan to shareholders. The explanation can also be delivered in other forums before the Shareholders General Meeting which enable the shareholders interact with the candidates of the director of Clearing Guarantee Institution.
9. The salaries and other benefits for the candidates for directors of the Clearing Guarantee Institution referred to in item 3 letter b of this rule must be determined based on generally accepted standards for each position held by each director of the Clearing Guarantee Institution and in accordance with the duties and responsibilities of each director of the Clearing Guarantee Institution based on the expertise and experience of each candidate, by taking into account proposal from Remuneration Committee referred to in item 10 letter c of Rule Number III.A.12 (if any).
 10. The salaries and other benefits for the directors of the Clearing Guarantee Institution referred to in item 9 that are proposed by majority shareholders of Clearing Guarantee Institution as referred to in item 3 letter a must be approved and decided by the Shareholders General Meeting.
 11. One of the candidates for directors of the Clearing Guarantee Institution must be selected as the candidate for the president director who is responsible for, among other things, making final decision if the board meeting unable to make decisions, coordinating activities of the Clearing Guarantee Institution, public relation activities and internal inspections activities.
 12. The other candidates for directors for Clearing Guarantee Institution must be selected as candidates for directors of Clearing Guarantee Institution who are responsible for one or more of the following activities:
 - a. Clearing and Settlement
 - b. Guarantee and Risk management
 - c. Research and Development
 - d. Information Technology
 - e. Legal; and
 - f. Finance and human resources development and and general administration

13. In the case where the board of directors of the Clearing Guarantee Institution considers that a director of the Clearing Guarantee Institution that holds responsibility and duties on a number of activities as stipulated in the time of his/her election is not capable of handling some of the duties, based on the results of directors' meeting, those duties can be delegated to other director of the Clearing Guarantee Institution deemed capable of handling the duties after acquiring approval from board of commissioners, Bapepam and LK, and decision by Shareholders General Meeting.
14. Director of the Clearing Guarantee Institution must not have affiliation with other directors of the Clearing Guarantee Institution and/or Commissioners of the Clearing Guarantee Institution.
15. Directors of the Clearing Guarantee Institution must not have shares or be controller either directly or indirectly of Securities Companies.
16. Directors of the Clearing Guarantee Institution must not control directly or indirectly an Issuer or a Public Company and/or must not trade on shares of Issuer or a Public Company. In the case where directors of the Clearing Guarantee Institution have shares of an Issuer or a Public Company, those shares cannot be traded up until 6 (six) months after the director's term of office expires.
17. The term of office of the directors of the Clearing Guarantee Institution as specified in Government Regulation of The Republic of Indonesia Number 45 Year 1995 Concerning Capital Market Organization and can only re-elected for one term with the following requirement:
 - a. When a director of the Clearing Guarantee Institution is elected to fill the vacancy in the office of a director of the Clearing Guarantee Institution who resigns before his/her term expires, or when an additional commissioner or director is needed, the term of office of the director of the Clearing Guarantee Institution valid for the remainder of the term of the board of directors of the Clearing Guarantee Institution; and
 - b. Calculation of one term of office for a director of the Clearing Guarantee Institution starts if the director hold that position no less than 2/3 (two-thirds) of term of office of directors of the Clearing Guarantee Institution ; and
 - c. Overall term of director of the Clearing Guarantee Institution in Securities Exchange, Clearing Guarantee Institution and Central Custody Depository is maximum 3 (three) terms.
18. The term of office of the directors of the Clearing Guarantee Institution must expire at a different time than that of the commissioners of the Clearing Guarantee Institution.

19. Director of the Clearing Guarantee Institution who is no longer fulfill the requirements referred to in item 2 must be replaced no later than 3 (three) months after the director is found or stated no longer fulfill the requirements by Bapepam and LK, and majority shareholders of Clearing Guarantee Institution must submit the replacement candidate of the Clearing Guarantee Institution to Bapepam and LK by fulfilling requirements stated in item 2 and item 3.
20. In the case where there is a vacant position of directors of the Clearing Guarantee Institution, the position of director for the Clearing Guarantee Institution must be filled no later than 3 (three) months since the position is vacant, and majoritiy shareholders of the Clearing Guarantee Institution must submit the replacement candidate of the Clearing Guarantee Institution to Bapepam and LK by fulfilling requirements stated in item 2 and item 3.
21. In the case of:
 - a. Position of the president director of the Clearing Guarantee Institution is vacant, one of directors of the Clearing Guarantee Institution must be selected based on board of directors decision as the president director until replacement is decided by the Shareholders General Meeting, after acquiring approval from board of commissioners, and Bapepam and LK.
 - b. Position of the director of the Clearing Guarantee Institution other than the president director is vacant, the duties of that directors based on board of directors decision must be delegated to other director of the Clearing Guarantee Institution until replacement is decided by the Shareholders General Meeting, after acquiring approval from board of commissioners, and Bapepam and LK.
22. Bapepam and LK may decide that position of director of the Clearing Guarantee Institution that is vacant must not filled as specified in item 20 after considering Clearing Guarantee Institution's activities and operation.
23. The deadline for replacement and/or filling the vacant of director of the Clearing Guarantee Institution referred to in item 19 and item 20 may be decided otherwise by Bapepam and LK.
24. In the case of there are position of director of the Clearing Guarantee Institution that is vacant or director of the Clearing Guarantee Institution resigns, board of directors of the Clearing Guarantee Institution must report to Bapepam and LK no later than 5 (five) days since it is known or resignation letter is received by board of directors of the Clearing Guarantee Institution.

25. In filling the vacancy in the office of a director of the Clearing Guarantee Institution who resigns before his/her term expires, or when an additional director of the Clearing Guarantee Institution is needed:
 - a. replacement or addition of director of the Clearing Guarantee Institution must fulfill requirement as specified in item 2 and item 3.
 - b. the proposed candidate of director of the Clearing Guarantee Institution must agree to cooperate with the existing directors of the Clearing Guarantee Institution.
 - c. addition of new director of the Clearing Guarantee Institution must consider requirement in item 3 letter f and letter g, and its implementation must fulfill requirement in item 2 and item 3.
26. A director of the Clearing Guarantee Institution that is not serving as a director of the Clearing Guarantee Institution because of any reason may not receive salary and other benefits from the Clearing Guarantee Institution other than severance payment and other rewards to the extent approved by the Shareholders General Meeting that elected him/her with the conditions that the amount of such payment and rewards must not exceed the amount of salaries for the remaining term.
27. Term of office of director of the Clearing Guarantee Institution is automatically ended if the directors, among other things:
 - a. lose their Indonesian citizenship;
 - b. are not legally competent;
 - c. are declared bankrupt or become the directors or commissioners who were responsible for causing a company to go bankrupt;
 - d. are found guilty of a criminal act;
 - e. are permanently absent;
 - f. Pass away; and/or;
 - g. Term of office is expired.
28. Directors of the Clearing Guarantee Institution may be dismissed from their positions by Bapepam and LK if the directors, among other things:
 - a. Have not a good character and morals;
 - b. have committed a disgraceful act in the Capital Market in particular and in the financial sector in general;
 - c. have involved in a material violation of the Capital Market law and regulations;
 - d. Have not committed to the development of the Clearing Guarantee Institution ; and/or
 - e. fail or are deemed not capable of handling duties.

29. By no means undermining criminal stipulation in capital market, Bapepam LK may impose sanction on any violations of this rule, as well as on any Person that causes the violation to occur.

Enacted in : Jakarta
Date : 30 January 2009

Chairman of Capital Market and
Financial Institutions Supervisory Agency

Signed

A. Fuad Rahmany
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Based on the original documents
Head of General Affairs Division

Signed

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