

**ATTACHMENT**

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

Number : Kep-14/BL/2009

Date : January 30, 2009

**RULE NUMBER III.C.3 : DIRECTORS OF THE CENTRAL  
SECURITIES DEPOSITORY**

1. General

- a. A Central Securities Depository must have at least 2 (two) directors;
- b. The board of commissioners of the Central Securities Depository examines the needed number and positions for directors of the Central Securities Depository and propose them to Bapepam and LK no later than 121 (one hundred and twenty one) days before the Shareholders General Meeting to appoint the directors of the Central Securities Depository.
- c. In examining the needed number and positions for Central Securities Depository, the board of commissioners may establish a committee with or without involving other parties, referring to this rule, Rule No. III.C.1, Rule No. III.C.6, and organization structure of the Central Securities Depository.
- d. In determining the positions for directors of the Central Securities Depository, the Board of Commissioners must consider the activities which will be the responsibility of each director of the Central Securities Depository as referred to in item 11 and 12.
- e. If in the given submission period as provided in letter b, the board of commissioners has not submitted the needed number and positions for directors of the Central Securities Depository, Bapepam and LK will decide the total number of needs and positions for directors of the Central Securities Depository.
- f. Bapepam and LK decides the total needs and positions for directors of the Central Securities Depository no later than 109 (one hundred and nine) days before Shareholders General Meeting to appoint the directors of the Central Securities Depository.
- g. By considering the development of activities and operational needs of Central Securities Depository, Bapepam and LK may add other director(s) of the Central Securities Depository within the existing directors.

2. Requirements of the Candidates for Directors of The Central Securities Depository

- a. Candidates for directors of the Central Securities Depository must meet the following requirements:
  - 1) Be individuals who have Indonesian citizenship and are

- legally competent;
- 2) Have a good character and morals;
  - 3) Have never been declared bankrupt or been the directors who were responsible for causing a company to go bankrupt;
  - 4) Have never been found guilty of a criminal act;
  - 5) Have never committed a disgraceful act in the Capital Market in particular and in the financial sector in general;
  - 6) Have never been involved in a material violation of the Capital Market Law and regulations;
  - 7) Have 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 the Central Securities Depository and Indonesian Capital Market in general; and
  - 9) Have a good understanding or good corporate governance and risk management principles.
- b. In addition to the requirements in letter a above, candidates for directors of the Central Securities Depository must fulfill the following requirements:
- 1) At least 1 (one) candidate for directors of the Central Securities Depository must have experience in managerial position in risk management and/or investment management in a company conducting business in finance, or management position that supervises custodian services at least 1 (one) level below director in Custodian Bank for at least 5 (five) years;
  - 2) Other candidates for directors of the Central Securities Depository must have experience in:
    - a) Director position in a company conducting business in finance at least 5 (five) years;
    - b) Managerial position in information technology division at least 3 (three) years and have sufficient knowledge of company technology information in a company conducting business in finance;
    - c) Managerial position at least 1 (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/or
    - d) Has been a professional in the field of law, accountancy, or finance which has actively practiced in the capital market for at least 5 (five) years; and
- c. Candidates for directors of the Central Securities Depository who is proposed as a president director , in addition to the requirements in letter a and b, also must have a strong leadership capacity.

3. Procedures for Proposing Candidates for Director of The Central Securities Depository

- a. Candidacy and nomination for directors of the Central Securities Depository must be carried out by shareholders or shareholders of the Central Securities Depository that have at least 20% (twenty percent) shares of the Central Securities Depository which have been issued and have voting rights.
- b. In nominating directors of the Central Securities Depository, shareholders or a group of shareholders that have at least 20% (twenty percent) shares of the Central Securities Depository which have been issued and have voting rights, must be responsible for selecting the candidates for directors of the Central Securities Depository, examining that each of the candidates has the expertise, experience and responsibility as director in accordance with item 1, 11, and 12, and negotiating or recommending the salaries and other benefits for each candidate for director of the Central Securities Depository by considering suggestion from Remuneration Committee referred to in item 10 letter c Rule Number III.C.8 (if any).
- c. Candidates for directors of the Central Securities Depository must be proposed to Bapepam and LK by shareholders or a group of shareholders that have at least 20% (twenty percent) of shares of the Central Securities Depository referred to in letter a in a one package of candidates, with fulfilling the requirements referred to in item 1, 11, and 12.
- d. The one packaged proposal referred to letter c is not applicable for proposing the candidates for director of the Central Securities Depository for the purpose of fulfilling the vacant position or director of the Central Securities Depository or adding a new candidate.
- e. In proposing the candidates of director of the Central Securities Depository to Bapepam and LK, majority shareholders of the Central Securities Depository must attach in 2 (two) copies the following documents:
  - 1) Curriculum vitae of the candidates of director of the Central Securities Depository;
  - 2) A statement from each candidate of director of the Central Securities Depository 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) A photocopy of Identification Card from each of the candidates of director of the Central Securities Depository;
  - 4) A statement regarding the relationship or affiliation of the candidates with other candidates from the Central Securities Depository, commissioners of the Central Securities Depository, members of the Securities Exchange, and Custodian Bank that is participants or users of the services of

- the Central Securities Depository;
- 5) A photocopy of diplomas and certificates of expertise that indicate the level of competence of the candidates of director of the Central Securities Depository (if any);
  - 6) A statement from each Person as the candidate of director of the Central Securities Depository which contains, among other things: willingness to be elected as a director and to willingness to work within the structure with other commissioners and directors of the Central Securities Depository to implement Central Securities Depository activities that are orderly, fair, and efficient;
  - 7) A statement by each director of the Central Securities Depository not to have a position as a member of a board of director or commissioners, or as an employee of another company or institution, when elected as a director of the Central Securities Depository;
  - 8) A response to the questions in attachment 1 to this rule regarding the integrity of the candidate for director of the Central Securities Depository using Form III.A.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 of the Central Securities Depository from shareholders or a group of shareholders that have at least 20% (twenty percent) shares of the Central Securities Depository which have been issued and have voting rights, including the negotiation of the salary and other benefits for candidates that become members of the board of directors of the Central Securities Depository 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 Central Securities Depository in particular and the Capital Market in general;
  - 11) A strategic plan of director of the Central Securities Depository which is in line with vision and mission of the Central Securities Depository;
  - 12) A statement from each candidate for director of the Central Securities Depository that makes clear that when the candidate for director of the Central Securities Depository becomes a director of the Central Securities Depository, he/she will not use Central Securities Depository assets or engage in transaction and give any kind of benefits to Persons affiliated with Central Securities Depository; other directors of the Central Securities Depository, Person affiliated with other directors of the Central Securities Depository, commissioners

- of the Central Securities Depository, and/or Person affiliated with commissioners of the Central Securities Depository; and
- 13) A statement from candidates for directors of the Central Securities Depository declaring, among other things:
    - a) Willingness to not possess shares or to not be controller either directly or indirectly Securities Companies during the term of office as director of the Central Securities Depository; and/or
    - b) Willingness to not 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 director of the Central Securities Depository by shareholders or a group of shareholders that have at least 20% (twenty percent) shares of the Central Securities Depository which have been issued and have voting rights referred to letter a and c above along with supporting documents as provided in item 3 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 Central Securities Depository. In the event there are deficiencies then the proposal is considered to be resubmitted on the date the missing material is submitted.

#### 4. Fit and Proper Test

- a. Each candidate for director of the Central Securities Depository 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 director of the Central Securities Depository by examining, among other things, administrative documents, interview, and/or asking for presentation.
- e. In conducting the fit and proper test of candidates for director of the Central Securities Depository, 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 for director of the Central Securities Depository have fulfilled the integrity and competence requirements.
- g. The integrity requirements referred to in letter f above, among other

things:

- 1). Legally competent;
  - 2). Posses good character and morals;
  - 3). Have never been declared bankrupt or been a commissioners or directors who were 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; and
  - 7). Be committed to the development of Central Securities Depository and Indonesian Capital Market.
- h. The competency requirements referred to in letter f, 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 provided in item 2 letter b item 1) point c) and item 2) point c) and point d).
- i. Based on the fit and proper test referred to in letter d above, Bapepam and LK submits the results of the test to shareholders or a group of shareholders that have at least 20% (twenty percent) shares of the Central Securities Depository that propose the candidates no later than 21 (twenty one) days after the proposal is received completely.
5. If in a list of package of candidates for directors proposed by shareholders or a group of shareholders that have at least 20% (twenty percent) shares of the Central Securities Depository as provided in item 3 letter a and c there are candidates who do not pass fit and proper test, then shareholders or a group of shareholders that have at least 20% (twenty percent) shares of the Central Securities Depository can resubmit the proposal with new candidates to replace the failure candidates to Bapepam and LK no later than 14 (fourteen) days after Bapepam and LK announces the results to the shareholders or a group of shareholders that have at least 20% (twenty percent) shares of the Central Securities Depository, in accordance with the requirements as provided 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 along with photocopy of documents of the candidates to the board of directors of Central Securities Depository no later than 7 (seven) days after Shareholders

General Meeting.

7. The board of directors of the Central Securities Depository must send to all shareholders the list(s) of candidates for directors of the Central Securities Depository that is sent by Bapepam and LK as referred to in item 6 along with photocopy 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 for directors of the Central Securities Depository. The list of package of candidates for directors of the Central Securities Depository 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 the Central Securities Depository
  - a. The announcement of invitation for the Shareholders General Meeting of the Central Securities Depository must be made 14 (fourteen) days before the date of the invitation. The announcement shall contain the plan to elect directors.
  - 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 Shareholders General Meeting. The invitation shall contain the plan to elect directors.
  - c. The electing and appointing of the candidates for directors of the Central Securities Depository which have been proposed in one package of candidates to Shareholders General Meeting must be done in the one package of candidates with the most votes in the Shareholders General Meeting.
  - d. The electing and appointing of the candidates for directors of the Central Securities Depository in one package of candidates referred to in poin 3 letter c above are not applied to elect and appoint the candidates of director to fulfill a vacant director seat or to add the candidates for directors of the Central Securities Depository.
  - e. Shareholders General Meeting to elect the directors of the Central Securities Depository must be led by the president commissioner or, one of the other commissioners of the Central Securities Depository in the absence of the president commissioner.
  - f. A candidate who has been elected referred to letter c above shall have the right to withdraw before appointed by Shareholders General Meeting.
  - g. In Shareholders General Meeting the candidates for director of the Central Securities Depository 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 for director of the Central Securities Depository.
9. The salaries and other benefits for the candidates for directors of the

- Central Securities Depository 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 Central Securities Depository and in accordance with the duties and responsibilities of each director of the Central Securities Depository 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.C.8 (if any).
10. The salaries and other benefits for the directors of the Central Securities Depository referred to in item 9 that are proposed by the group of Securities Exchange members 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 Central Securities Depository must be chosen as the candidate for the president director with the main responsibilities such as making final decision if the Board meeting unable to make decisions, coordinating activities of the Central Securities Depository, public relation activities and internal inspections activities.
  12. The other candidates for directors of the Central Securities Depository must be chosen as candidates for directors who are responsible for one or more of the following activities:
    - a. settlement;
    - b. Custodial services;
    - c. Research and development;
    - d. information technology;
    - e. legal; and
    - f. finance, human resources and administration.
  13. In the case where the board of directors of the Central Securities Depository deem that the director of the Central Securities Depository that holds responsibility and duty of some activities in which he/she is not capable of handling some duties of the concurrent positions, based on the results of directors' meeting, those duties can be transferred to another director of the Central Securities Depository deemed capable of handling them after acquiring approval from board of commissioners, Bapepam and LK, and decided by Shareholders General Meeting.
  14. Director of the Central Securities Depository must not have affiliation with other directors of the Central Securities Depository and/or Commissioners of the Central Securities Depository.
  15. Directors of the Central Securities Depository must not have shares or be controller either directly or indirectly of Securities Companies and/or Custody.
  16. Directors of the Central Securities Depository must not control directly or indirectly an Issuer or a Public Company. In the case where directors of the Central Securities Depository 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 Central Securities Depository 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 director of the Central Securities Depository is elected to filling the vacancy in the office of a director of the Central Securities Depository who resigns before his/her term expires, or when an additional commissioner or director is needed, the term of office of those director of the Central Securities Depository valid for the remainder of the term of the board directors of the Central Securities Depository; and
  - (b) Calculation of one term of office for a director of the Central Securities Depository starts if the director hold that position no less than 2/3 (two-thirds) of term of office of directors of the Central Securities Depository; and
  - (c) Overall term of director of the Central Securities Depository in Securities Exchange, Clearing Guarantee Institution and Central Securities Depository is maximum 3 (three) terms.
18. The term of office of the directors of the Central Securities Depository must expire at a different time than that of the commissioners of the Central Securities Depository.
19. Directors of the Central Securities Depository who is no more fulfill the requirements as specified in item 2 must be replaced no later than 3 (three) months after those director found or stated no more fulfill the requirements by Bapepam and LK, and shareholders or group of shareholders that own at least 20% (twenty percent) outstanding voting shares of the Central Securities Depository must submit the replacement candidate of the Central Securities Depository to Bapepam and LK as required in item 2 and item 3.
20. In case where there is a vacant position of directors of the Central Securities Depository, position of director of the Central Securities Depository must be filled no later than 3 (three) months since that position is vacant, and shareholders or group of shareholders that own at least 20% (twenty percent) outstanding voting shares of the Central Securities Depository must submit the replacement candidate of the Central Securities Depository to Bapepam and LK as required in item 2 and item 3.
21. In case where:
- (a) Position of the president director of the Central Securities Depository is vacant, one of directors of the Central Securities Depository 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 Central Securities Depository other than the president director is vacant, the duties of that directors based on board of directors decision must be transferred to other director of the Central Securities Depository 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 Central Securities Depository that is vacant must not filled as specified in item 20 after considering Central Securities Depository's activities and operation.
  23. The deadline for replacement and/or filling the vacant of director of the Central Securities Depository as referred in item 19 and item 20 may be decided by Bapepam and LK.
  24. In case where there are position of director of the Central Securities Depository that is vacant or director of the Central Securities Depository resign, board of directors of the Central Securities Depository must report to Bapepam and LK no later than 5 (five) days since resigned letter is known or accepted by board of directors of the Central Securities Depository.
  25. When filling the vacancy in the office of a director of the Central Securities Depository who resigns before his/her term expires, or when an additional director of the Central Securities Depository is needed:
    - (a) Replacement or addition of director of the Central Securities Depository must fulfill requirement as specified in item 2 and item 3.
    - (b) the proposed candidate of director of the Central Securities Depository must agree to cooperate with the existing directors of the Central Securities Depository.
    - (c) addition of new director of the Central Securities Depository must considering requirement in item 3 letter f and letter g, and its operation must fulfill requirement in item 2 and item 3.
  26. A director of the Central Securities Depository that is not serving as a director of the Central Securities Depository because of any reason may not receive a salary and other benefits from the Central Securities Depository 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 Central Securities Depository 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 Central Securities Depository 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 Central Securities Depository; 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 : January 30, 2009

Chairman of Capital Market and  
Financial Institutions Supervisory Agency

Signed

**A. Fuad Rahmany**  
NIP. 060063058

Based on the original documents  
Head of General Affairs Division

Signed

**Prasetyo Wahyu Adi Suryo**  
NIP 060076008

ATTACHMENT: 1

Rule Number: III.C.3

Form Number: III.C.3-1

**LIST OF QUESTIONS**

**I. INSTRUCTIONS FOR ANSWERING THE FOLLOWING QUESTIONS:**

1. All questions in this list are related to the integrity that shall be answered by all candidates of directors of Central Securities Depository.
2. Put a √ mark in the box in front of the word "Yes", if your answer is "Yes", or put a √ mark in the box in front of the word "No" if the answer to the following question is "No".
3. For each "Yes" answer, the candidates of directors of Central Securities Depository shall provide a clear and detailed answer which shall include:
  - a. related institutions and persons;
  - b. cases and dates of the action taken;
  - c. the court or institution taking the action;
  - d. the action taken and sanction imposed.

**II. INTEGRITY OF CANDIDATES FOR DIRECTORS**

**Definition:**

Investment is activity on Securities, banking, insurance, or property or real estate including activity that is directly or indirectly related to Securities Companies, Investment Advisors, Banks or other Companies in financial area.

Please answer the following questions:

1. In the last ten years, has the candidate for directors of Central Securities Depository ever found guilty of:
  - a. any criminal act related to investments or the business related to investment, fraud, false statement or embezzle, bribery, forgery, or blackmail?  
Ya                      Tidak
  - b. any other crimes?  
Ya                      Tidak
2. Has a court:
  - a. ever declared the candidate for directors of Central Securities Depository bankrupt?  
Ya                      Tidak
  - b. in the last ten years forbidden the candidate for directors of Central Securities Depository from engaging in activities related to investment?  
Ya                      Tidak
  - c. declared the candidate for directors of Central Securities Depository involved in a violation against the law related to investment or any other law?  
Ya                      Tidak
3. Has Bapepam and LK ever:
  - a. found the candidate for directors of Central Securities Depository make any false statement or negligence?  
Ya                      Tidak

- b. found the candidate for director of Central Securities Depository involved in violation against the law, Bapepam and LK Chairman Decision or Bapepam and LK's Rules?  
Ya            Tidak
  - c. found the candidate for director of Central Securities Depository guilty of causing decline, suspension, revocation, or restriction of business license, approval, or registration statement of any company related to investment?  
Ya            Tidak
  - d. declined, temporarily suspended, or revoked the business license, approval, or registration statement or sanction by restricting the activities of the candidate for director of Central Securities Depository?  
Ya            Tidak
4. Has any other Indonesian institution or any foreign institution ever:
- a. found the candidate for director of Central Securities Depository make any false statement, is neglected to give statement that is being asked for, is dishonest, is unfair, or is unethical?  
Ya            Tidak
  - b. found the candidate for director of Central Securities Depository performs activities causing decline, temporary suspension, revocation or restriction of business license, approval, or registration statement?  
Ya            Tidak
  - c. ordered to warn the candidate for director of Central Securities Depository related to investment activities?  
Ya            Tidak
  - d. denied, temporarily suspended, or revoked business license, approval, or registration statement of the candidate for director of Central Securities Depository to engage in investment business, or restricted the activities in such area?  
Ya            Tidak
  - e. revoked or suspended or revoked registration of the candidate for director of Central Securities Depository as Capital Market Supporting Professionals, such as Accountant, Notary, Legal Consultant, or Appraiser?  
Ya            Tidak
5. Has any Securities Exchange, Clearing Guarantee Institution. and Central Securities Depository ever:
- a. found that the candidate for director of Central Securities Depository made any false statement or is neglected to give information that should be disclosed ?  
Ya            Tidak
  - b. found the candidate for director of Central Securities Depository to be involved in violation of any law?  
Ya            Tidak
  - c. found the candidate for director of Central Securities Depository guilty of causing decline, suspension, revocation, or restriction of business license,

approval, or registration statement of any company related to investment?

Ya                      Tidak

- d. disciplined the candidate for director of Central Securities Depository regard to his/her position as director or commissioner member of Stock Exchanges, members of Clearing Guarantee Institution and participant of Central Securities Depository, with:
- 1). revoke or temporarily suspend his/her company from membership in a Stock Exchanges; Clearing Guarantee Institution and Central Securities Depository;
  - 2). restrict or temporarily suspend his/her company's relation with other members of a Stock Exchanges, members of Clearing Guarantee Institution and participant of Central Securities Depository; or
  - 3). restrict his/her company's activities as members of a Stock Exchanges, members of Clearing Guarantee Institution and participant of Central Securities Depository?
- Ya                      Tidak
6. Has the candidate for director of Central Securities Depository ever been sued or is being sued by a Party related to investment or fraudulence?  
Ya                      Tidak
7. Has the candidate for director of Central Securities Depository ever been sued or is being sued by a Party related to criminal or civil case?  
Ya                      Tidak

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Candidate for director

Stamp

.....  
(Full Name)