

**RULE NUMBER III.C.3 : REQUIREMENTS OF CANDIDATES FOR DIRECTORS AND COMMISSIONERS OF A CENTRAL SECURITIES DEPOSITORY**

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Attachment :  
Decision of the Chairman of Bapepam  
Number : Kep-14/PM/1996  
Date : January 17, 1996

1. Candidates for directors and commissioners of a Central Securities Depository must meet the following requirements:
  - a. be individuals who have Indonesian citizenship and are legally competent;
  - b. have never been declared bankrupt or been a director or commissioner who was responsible for causing a company to go bankrupt;
  - c. have never been found guilty of a criminal act;
  - d. have never committed a disgraceful act in the Capital Market in particular or in the financial sector in general;
  - e. have a good character and morals;
  - f. have Capital Market expertise; and
  - g. have never engaged in a material violation of the Capital Market law and regulations.
2. In addition to the requirements referred to in item 1 of this rule, candidates for directors and commissioners of a Central Securities Depository must also meet the following additional requirements:
  - a. have a good understanding of the Capital Market law and regulations;
  - b. have a good vision about Capital Market; and
  - c. be committed to the development of the Capital Market.
3. A Central Securities Depository may have no more than seven directors and seven commissioners.
4. The candidates for directors of the Central Securities Depository must be proposed by shareholders who have at least 20% (twenty percent) of the outstanding shares, through the board of commissioners and received by Bapepam at least 21 (twenty one) days before the General Meeting of Shareholders held to elect directors of the Depository, by submitting a list of candidates in accordance with the number of positions to be filled.

5. The candidates for commissioners of the Central Securities Depository must be proposed by shareholders who have at least 20% (twenty percent) of the outstanding shares, through the board of commissioners and must be received by Bapepam at least 21 (twenty one) days before the General Meeting of Shareholders held to elect commissioners of the Depository, by submitting a list of candidates in accordance with the number of positions to be filled.
6. Nominations for the directors and commissioners of a new Central Securities Depository must be submitted to Bapepam by the shareholders.
7. Except in a case where the nomination is for replacing a director or commissioner who has resigned his or her terms was over, the list of candidates proposed by the shareholders must be as a package of directors or a package of commissioners.
8. One of the candidates for directors must be chosen as the candidate for the president director, and the others must be chosen as candidates for directors who are responsible for one or more of the following activities:
  - a. settlement;
  - b. Custodial services;
  - c. financial management;
  - d. internal inspections;
  - e. information technology ; and
  - f. human resources.
9. One of the candidates for commissioners must be chosen as the candidate for president commissioner.
10. The names of the candidates for directors or commissioners can only be proposed by the shareholder(s) in one list of candidates.
11. The list of proposed directors and or commissioners of the Central Securities Depository must be submitted to Bapepam, accompanied by the following documents:
  - a. curriculum vitae of the proposed directors or commissioners of the Central Securities Depository;
  - b. a statement from each candidate which covers the following:
    - 1) an agreement to be elected as a director or the commissioner; and
    - 2) an agreement to cooperate in conducting fair, orderly, and efficient Central Securities Depository activities;
  - c. a statement by each candidate for director not to have multiple positions as a member of a board of directors, commissioners, or an employee of another company, when elected as a director.

12. The notification of invitation for the General Meeting of Shareholders of the Central Securities Depository must be announced 14 (fourteen) days before the date of invitation. The notification shall contain the plan to elect directors or commissioners.
13. The invitation for the General Meeting of Shareholders shall be announced 14 (fourteen) days before the meeting is held.
14. Bapepam will examine the proposed directors and or commissioners by considering the requirements as specified in items 1 and 2 of this rule, and submit to the Central Securities Depository the list of candidates who meet the requirements, no later then 7 (seven) days before the General Meeting of Shareholders.
15. The board of directors of the Central Securities Depository must inform the shareholders of the Central Securities Depository about the list of candidates who meet the requirements, no later then 4 (four) days before the General Meeting of Shareholders.
16. The term of office of directors and commissioners of the Central Securities Depository is 3 (three) years, and they may be reelected. The first term of office of a commissioner of the Central Securities Depository is for 2 (two) years.
17. When a director or commissioner of a Central Securities Depository is appointed to replace the director or the commissioner who resigned before his or her term was over, the Person is elected only for the remainder of the term of the former director or commissioner.
18. When filling the vacancy in the office of a director or commissioner who resigned before his or her term was over, and or when a additional director is needed, the proposed candidate must agree to cooperate with, and not have an objection from, the existing directors.
19. The term of office of the directors of the Central Securities Depository must end at a different time than that of the commissioners.
20. The General Meeting of Shareholders 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.
21. The General Meeting of Shareholders to elect the commissioners of the Central Securities Depository must be led by the president director, or one of the other directors of the Central Securities Depository in the absence of the president director.