

**AGREEMENT OF SECURITIES SAFEKEEPING FOR LENDING  
BETWEEN**

**PT.** \_\_\_\_\_

**AND**

\_\_\_\_\_

**Number:** \_\_\_\_\_

This Agreement is made and entered into as of the \_\_\_\_\_ day of the month \_\_\_\_\_ of the year Two Thousand and Six, in Jakarta by and between:

1. \_\_\_\_\_ , President Director of PT. \_\_\_\_\_ (Limited liability), seated in Jakarta, acting in his capacity in compliance with Chapter \_\_\_\_ of the Company's Articles of Association incorporated in Deed of Establishment Number \_\_\_\_\_ , dated, drawn up before \_\_\_\_\_ , Public Notary in Jakarta, and is therefore legal representation to act for and on behalf of PT. \_\_\_\_\_ , in its legal state as Service User/Clearing Member (**CM**) of PT. Kliring Penjaminan Efek Indonesia, hereinafter referred to as Securities Lending and Borrowing Clearing Member (**SLB-CM**)
  
2. \_\_\_\_\_ , acting for and on behalf of his/her own person, residing in Jakarta, Indonesia, hereinafter referred to as **Investor**.

The Parties beforehand declare the following:

1. whereas Investor is the Party placing into custody Securities to be lent to KPEI;
2. whereas **SLB-CM** is a Securities Company, registered as KPEI-CM,
3. whereas Securities Lending and Borrowing is the activity of lending Securities owned by Investor to KPEI through the **SLB-CM**.

THEREFORE, in consideration of the covenants contained herein, Investor and **SLB-CM** agree to enter into a law-binding Agreement of Securities Safekeeping for Lending, hereinafter referred to as "Agreement", under the following terms and conditions:

**Chapter 1  
Definition**

In this Agreement, the following terms refer to in meaning as:

1. **Stock Exchange** is the Jakarta Stock Exchange and the Surabaya Stock Exchange.

2. **Manufactured Dividend** is an amount of dividend attached to borrowed Securities in the form of cash dividend, Stock dividend, cash bonus and Stock bonus intended by obligation for delivery by **SLB-CM** to Investor.
3. **Securities** are Securities as intended under Number 5 of Chapter 1 of Law Number 8 Year 1995 regarding Capital Market, which herein is borrowed asset in accordance with this Agreement.
4. **Equal Securities** are Securities that are similar in category, amount and classification to borrowed Securities. In the case of *Corporate Action* forcing change upon Borrowed Securities, the definition of Borrowed Securities will include the following:
  - a. Securities proceeds of a conversion, consolidation or merger process;
  - b. Securities proceeds of an acquisition process; and
  - c. Securities proceeds of other Corporate Action which may cause changes upon Securities.
5. **Exchange Day** is a day on which Exchange Transactions occur in the Stock Exchange.
6. **Minimum Term** is the minimum duration for the borrowing of Securities, which is 1 (one) Exchange Day.
7. **KPEI** is PT Kliring Penjaminan Efek Indonesia
8. **Recall** is a Securities withdrawal instruction from the Investor to **SLB-CM** prior to due date and upon lapse of Minimum Term.
9. **Settlement Date** is the date on which SLB-CM reimburses the Equal Securities to Investor.
10. **Delivery Date** is the date on which Borrowed Securities are book-transferred into the **SLB-CM** Account.

## **Chapter 2**

### **Rights and Obligations of Investor**

1. Investor is entitled to:
  - a) receive reimbursement of Lent Securities in accordance with Investor's request or at other moments as provisioned herein. Securities that are reimbursed will be similar in category, amount and classification to those securities lent to KPEI and/or bearing similar rights attached to such Securities;
  - b) receive a fee, amount of which is stipulated herein;
  - c) at any moment retrieve Securities lent to KPEI following the lapse of the Minimum Term as intended herein.
  - d) Receive Manufactured Dividend in the form of cash dividend, stock dividend, cash bonus or stock bonus upon the execution date of *Corporate Action (Distribution Date)*, value of which is similar to that of the dividend paid by the Issuer to the Securities Holder;

- e) Exercise *voting rights* and/or other rights upon Securities attached to such Securities (among others Right, warrants and tender offer )
  - f) Forwards a recall by no later than 4 (four) Exchange Days prior to the settlement Date.
2. Investor is obligated to:
- a) place into the safekeeping of the **SLB-CM** Securities to be lent together with rights attached to such Securities;
  - b) conveys a Securities withdrawal instruction to **SLB-CM** in the case Investor intends to withdraw such Securities from the **SLB-CM**.

### **Chapter 3**

#### **Rights and Obligations of KPEI-CM**

- a) **SLB-CM** is entitled to receive part of the Securities Lending and Borrowing fee in the case the intended Securities are borrowed by KPEI.
- b) **SLB-CM** is obligated to:
  - i) reimburse Securities, category, amount and classification of which are similar to those Securities lent upon Securities Lending and Borrowing due date or at other moments as provisioned herein;
  - ii) reimburse rights attached to lent Securities arising as the result of Corporate Action limited to stock dividend, cash dividend, stock bonus and cash bonus;
  - iii) pay a Securities Lending and Borrowing fee to Investor, time and manner of which is in accordance with provisions herein.

### **Chapter 4**

#### **Declaration of Investor**

Investor, by virtue of this Agreement declares the following:

- 1. Whereas the securities placed by Investor in the custody of the **SLB-CM** is in fact ownership of Investor or is under Investor's authority by Power of Attorney to place in the custody of the **SLB-CM**.
- 2. Grants approval to the **SLB-CM** to book-transfer Securities from the Lending and Borrowing Account of the **SLB-CM** into the lending and Borrowing Account of KPEI in the case whereas such Securities are lent to KPEI.
- 3. will act in accordance with all provisions and all conditions of this Agreement and KPEI Rule Number II-10 regarding Scripless Securities Lending - Borrowing Services.

## **Chapter 5**

### **Delivery of Securities**

1. Investor is obligated to place into the custody of **SLB-CM** Securities by manner of depositing the intended securities into the Lending and Borrowing Account of the **SLB-CM**.
2. By virtue of the delivery of Securities as intended under Chapter 5 Article 1, the delivery of Securities by Investor into the custody of **SLB-CM** is deemed to have been accomplished.

## **Chapter 6**

### **Fees**

1. Investor is entitled to a Securities Lending and Borrowing service fee in the amount of \_ calculated against the value of Securities lent.
2. The **SLB-CM** is entitled to a Securities Lending and Borrowing service fee in the amount of \_ calculated against the value of Securities lent.

## **Chapter 7**

### **Reimbursement of Equal Securities**

1. Investor may, at any given moment, convey a Securities withdrawal instruction to the **SLB-CM** insofar as such Securities have not been lent to KPEI.
2. Upon expiry of the Minimum Term, Investor may at any moment request for the settlement date of Equal Securities by forwarding a Recall by no later than 4 (four) Exchange Days prior to the Settlement Date.
3. In the case of a recall pursuant to the exercise of Voting Rights, Investor is obligated to forward a Request for Recall by no later than 4 (four) Exchange Days prior to the recording date, which is determined by the Issuer.
4. The **SLB-CM** is obligated to deliver Equal Securities to Investor by no later than 4 (four) Exchange Days preceding the forwarding of the Securities withdrawal application or Recall.

## **Chapter 8**

### **Term of Lending and Borrowing**

The duration of the Lending and Borrowing term is calculated as from the book-transfer date of Investor's Securities from the Securities Lending and Borrowing Account of the **SLB-CM** into the account of KPEI until the reimbursement date of Equal Securities from the account of KPEI into the Securities Lending and Borrowing account of the **SLB-CM**.

## **Chapter 9**

### **Failure to Reimburse with Equal Securities and/or Manufactured Dividend**

1. In such a case whereas the SLB-CM is unable to reimburse Equal Securities, the SLB-CM is obligated to pay compensation for loss, commensurate to the substitute of Securities with cash, to investor upon settlement date, calculated in accordance with a formula as intended under Attachment 02 hereto
2. In such a case whereas the SLB-CM is unable to reimburse manufactured Dividend, the SLB-CM is to pay compensation for loss to Investor upon the execution date of Corporate Action (Distribution Date) as provisioned by the Issuer, Substitution of manufactured Dividend with cash, calculated in accordance with a formula as intended under Attachment 02 hereto.

## **Chapter 10 Taxation**

Any taxes arising as the result of the implementation of this Agreement is in compliance with prevailing regulations governing taxation.

## **Chapter 11 Default**

1. **SLB-CM** will be declared as in default in the case:
  - a) whereas upon Settlement date SLB-CM does not reimburse Equal Securities as intended under Chapter 7 Article 1;
  - b) whereas no compensation for loss as intended under Chapter 9 Article 1 is made;
  - c) whereas no Manufactured Dividend is delivered in the form of cash dividend, stock dividend, cash bonus or stock bonus on the exercise date of Corporate Action (Distribution Date), value of which is similar to the dividend paid by the Issuer to the Securities Holder.
2. Any of the Parties will be declared as in default in the case it fails to meet its obligations to a third party as a result of:
  - a) all activities conducted by the Parties that are not in compliance with provisions set forth in this Agreement and/or KPEI Rule Number II-10 regarding Scripless Securities Lending-Borrowing Services;
  - b) the licenses of the Parties being suspended or revoked by Bapepam, the Stock Exchange, KPEI and/or KSEI or other authorized institutions, or the freezing of operations imposed by a government institution.

## **Chapter 12 Termination of Agreement**

1. Any of the Parties may terminate this Agreement by written statement delivered to the other Party by no later than 10 (ten) days prior to the intended date of termination.
2. Notification for the termination of this Agreement must bear the intended effective date of such a termination.

3. The termination of this Agreement can only be deemed effective if the Party requesting such a termination has met all its obligations to the other Party.

### **Chapter 13 Statutory Provisions**

Each Party is obligated to deliver written notification to the other Party regarding amendments or other changes upon laws or implementing regulations thereof that may impose changes upon the rights and obligations of the Parties herein.

### **Chapter 14 Force Majeure**

1. Each Party will not hold the other Party responsible for the non-performance or delayed performance of obligations as set forth in this Agreement occurring as a direct result of Force Majeure.
2. In the event of Force Majeure, the Party inflicted by such a Force Majeure must at first given opportunity convey message of the occurrence to the other Party followed by written notification thereof by no later than 2 (two) x (times) 24 (twenty four) hours as from such an occurrence of Force Majeure, and is obligated thereafter to produce evidence of the delayed performance or non-performance of obligations set forth herein as being a direct result of Force Majeure.
3. Referred to herein as Force Majeure is a condition beyond the negligence or control of any of the Parties causing the non-performance or delay in the execution of obligations set forth herein, events of which include those that are beyond human control comprising conflagration, flood, volcanic eruption, typhoon, hurricane, annexation or seizure by the state, war either declared or otherwise, riot uprising, strike, plague or other occurrences similar thereto.

### **Chapter 15 Arbitration**

In respect to this Agreement and all the consequences as well as implementation thereof:

- a. The Parties agree that any dispute and disagreement arising, as a consequence of the implementation of this Agreement, shall as far as possible, be settled by amicable deliberation between parties.
- b. If cannot be settled by amicable deliberation any dispute arising from the implementation of this Agreement shall be decided by BAPMI arbitrary proceeding and other BAPMI rules, judgement of which be final and binding to The Parties in dispute. The Parties declare void their right to forward any charges,

claims or appeal against the arbitrator's judgement under any legislation pertaining to such a dispute having been decided and brought to rest by this arbitrary conduct, except for the enforcement thereof.

**Chapter 16**  
**Assignment of Obligations**

Neither of the Parties may assign its rights or obligations in part or in whole to a third party without prior written consent from the other Party.

**Chapter 17**  
**Addendum**

In the event whereas the Parties mutually agree to enter amendments hereto, then such amendments will be set forth in an addendum containing supplementary, omissions and other adjustments, which will become an integral part hereof.

**Chapter 18**  
**Governing Laws**

This Agreement will be governed by laws prevailing in the state of the Republic of Indonesia.

**Chapter 19**  
**Conveyance of Notice**

All notices or correspondence relevant hereto will be conveyed in writing (by means of telex, facsimile or electronic transfer) and will be deemed valid if delivered by registered mail or conveyed directly to the addressee or through the telex or facsimile number of the addressee or other addresses or telex and facsimile numbers as declared by each Party in writing.

To the Investor, such an address will be:

Name \_\_\_\_\_  
Address \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Jakarta \_\_\_\_\_  
Phone \_\_\_\_\_  
Fax \_\_\_\_\_

To the SLB-CM, such an address will be:

Name \_\_\_\_\_  
Address \_\_\_\_\_

Phone  
Fax

\_\_\_\_\_  
\_\_\_\_\_  
Jakarta \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Chapter 20**  
**Miscellaneous**

1. Matters not yet provisioned herein will be determined upon in the future by and between the Parties and set forth in writing, signed by the Parties and constitute an inseparable part hereof and bear legal power equal hereto.
2. This Agreement is made in 2 (two), each bearing similar inscription, appropriate duty stamp and equal legal power upon insertion of signature by the Parties.

IN WITNESS WHEREOF, the parties have signed and entered into this Agreement as of the date first mentioned above.

**Investor**

**SLB-CM**

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