

**DECREE OF THE BOARD OF DIRECTORS
PT KLIRING PENJAMINAN EFEK INDONESIA**

Number : Kep-006/DIR/KPEI/0505

Subject : **Amendment to KPEI Rule regarding Stock Option Transaction Clearing and Settlement Guarantee**

Date of Issue : May 5th 2005

Date of Effect : May 5th 2005

Reference : Letter of the Chairman of the Capital Market Supervisory Board Number: S-566/PM/2005 dated March 18th 2005 regarding Approval of Draft of Amendments to PT KPEI Rules.

Considering : Whereas to comply with the Decree of the Chairman of the Capital Market Supervisory Board Number Kep-47/PM/2004 regarding Guarantee Fund, it is deemed necessary to amend PT Kliring Penjaminan Efek Indonesia Rule Number IV regarding Stock Option Transaction Clearing and Settlement Guarantee as intended under the Attachment of the Decree of the Board of Directors of PT Kliring Penjaminan Efek Indonesia Number Kep-008/DIR/KPEI/0904.

In view of :

1. Law Number 8 Year 1995 regarding Capital Market (State Gazette of the Republic of Indonesia Number 64 Year 1995, Supplement to State Gazette of the Republic of Indonesia Number 3608 Year 1995).
2. Government Regulation Number 45 Year 1995 regarding Conduct of Capital Market Activities (State Gazette of the Republic of Indonesia Number 86 Year 1995, Supplement to State Gazette of the Republic of Indonesia Number 3617 Year 1995).
3. Decree of the Chairman of Bapepam Number Kep-26/PM/1998 dated June 1st 1998 regarding Granting of Business License as Clearing and Guarantee Institution to PT. Kliring Penjaminan Efek Indonesia.
4. Decree of the Board of Directors of PT Kliring Penjaminan Efek Indonesia Number Kep-008/DIR/KPEI/0904 regarding PT Kliring Penjaminan Efek Indonesia Rule Number IV regarding Stock Option Transaction Clearing and Settlement Guarantee.

HAS DECIDED UPON

Stipulate : 1. Amendment of PT Kliring Penjaminan Efek Indonesia Rule Number IV regarding Stock Option Transaction Clearing and Settlement Guarantee as intended under the

Attachment of this Decree.

2. Decree of the Board of Directors of PT Kliring Penjaminan Efek Indonesia Number Kep-008/DIR/KPEI/0904 regarding Stock Option Transaction Clearing and Settlement Guarantee and the Attachment thereto to be no longer in effect.
3. This Decree will come into effect as from the date of its stipulation, with the provision that all matters pertaining hereto shall be duly amended and adjusted should it be deemed necessary to do so, or should mistakes contained in this Decree be revealed in a later period.

Stipulated in : Jakarta

On this day of : May 5th 2005

Inarno Djajadi
President Director

Eddy Sugito
Director

ATTACHMENT

Decree of the Board of Directors

PT. Kliring Penjamin Efek Indonesia

Number : SK-008/DIR/KPEI/0904

Dated : 21-09-2004

Amended by:

Decree of the Board of Directors

PT. Kliring Penjamin Efek Indonesia

Number : Kep-006/DIR/KPEI/0505

Dated : 05-05-2005

RULE NUMBER: IV

STOCK OPTION TRANSACTION CLEARING AND SETTLEMENT GUARANTEE

1. DEFINITION

- a. Unless defined otherwise, all words and/or terms herein bear meanings similar to those applied in Law Number 8 Year 1995 regarding Capital Market and Implementing Regulations thereof.
- b. In this Rule, the following refer to as:
 - i. **Collateral** is an amount of money deposited by SO-CM (Indo: AK-OS) into a collateral Account at a Payment Bank for the settlement of Stock Option Transactions.
 - ii. **Free Collateral** is collateral that can be used as main reference for the calculation of Transaction Limit.
 - iii. **Blocked Collateral** is Collateral that comprises *Premium* and/or Margin for the purpose of Stock Option Transaction settlement.
 - iv. **Stock Option Clearing Member (SO-CM)** is a Stock Exchange Member that has met requirements and conditions determined by KPEI prerequisite to receiving Stock Option Clearing, Guarantee and Transaction settlement services.
 - v. **Payment Default SO-CM** is a SO-CM declared as in Payment Default.
 - vi. **Payment Bank** is a commercial bank bound to agreement with KPEI, appointed to perform Stock Option Transaction settlement payment.
 - vii. **WMA Limit** is the highest WMA for *call option* or the lowest for *put option* of every SOC (Indo: KOS) series, determined by Stock Exchange based on a named percentage calculated against a *Strike Price* applied for the practice of *Automatic Exercise*.
 - viii. **Transaction Limit** is a value determined by KPEI, as a maximum limit imposed upon SO-CM for the exercise of Stock Option Transactions.
 - ix. **Stock Exchange** is PT. Bursa Efek Jakarta.

- x. **Close Long** is the closing/terminating of an open put position upon a SOC series by *Writer* toward *Taker*, including the transfer of obligations from one *Writer* to another.
- xi. **Close Short** is the closing/termination of an open call position upon a SOC series by *Taker* toward *Writer* including the transfer of rights from one *Taker* to another.
- xii. **Stock Option Guarantee Fund** is a Guarantee Fund as intended under Bapepam Rule Number III.B.7 regarding Guarantee Fund, to be drawn on in a case of Stock Option Transaction settlement default.
- xiii. **Stock Option Clearing Result List (SO-CRL, Indo: DHK-OS)** is a document stating the details of Open Positions, Reverse Transactions, *Exercise*, maturity date of contracts and the rights or obligations upon money of each CO-CM.
- xiv. **Force Majeure** is any occurrence and/or condition beyond the capacity and ability of Stock Exchange and/or KPEI and/or Payment Bank to act upon, resulting into the function failure of the primary system of Stock Exchange and/or KPEI and/or Payment Bank, and/or any situation including but not limited to war, whether declared or otherwise, rebellion, conflagration, earthquake, public disorder, sabotage, strike, and other similar conditions and situations of the same nature.
- xv. **Payment Default** is the non-performance in part or in whole of the obligation of SO-CM to settle payment of a named amount of money to KPEI pursuant to the fulfillment of a Stock Option Transaction settlement.
- xvi. **Strike Price** is a price determined by Stock Exchange for every SOC series as primary reference in the conduct of *Exercise*.
- xvii. **Clearing** is the process of determining the rights and obligations arising as a result of a Stock Option Transaction at Stock Exchange.
- xviii. **Share Option Contract (SOC, Indo: KOS)** is the Stock Option trading unit, which is divided into contract units.
- xix. **Stock Option** is the right owned by a party upon *call option* or *put option* toward another party regarding an amount of *Underlying Stock* at *Strike Price* within a limited period.
- xx. **Stock Option Transaction Settlement Report (SO-TSR, Indo: LPT-OS)** is a document stating the status of fulfillment of rights and obligations upon money of each SO-CM.
- xxi. **Margin** is an amount of Collateral frozen by KPEI as the result of an *Open Short* order placed by SO-CM into the Stock Option trading system of Stock Exchange.
- xxii. **Netting** is a clearing activity performed by KPEI that results into the right or obligation of SO-CM either to receive or pay an amount of money pursuant to a Stock Option Transaction practiced by respective SO-CM.

- xxiii. **Exercise** is the *Close Short* of *Taker* to fulfill its rights upon *Stock Option* toward *Writer*.
- xxiv. **Automatic Exercise** is the *Close Short* of *Taker* undertaken by KPEI pursuant to the fulfillment of *Taker's* right upon *Stock Option* toward *Writer* due to WMA being equivalent to or exceeding WMA Limit, or lapse of the validity period of relating *Stock Option*.
- xxv. **Open Position** is the position of a contract, either *call* or *put*, that has not been settled.
- xxvi. **Premium** is the price of every *call option* or *put option* attached to a *Stock Option*.
- xxvii. **Open Long** is the call open position by *Taker* upon a named SOC series.
- xxviii. **Open Short** is the put option position by *Writer* upon a named SOC series.
- xxix. **Stock Exchange Transaction Settlement Guarantee** is the providing of assurance of SO-CM's rights upon a *Stock Option Transaction*.
- xxx. **Collateral Account** is an account owned by SO-CM to accommodate collateral.
- xxxi. **SO-CM Settlement Account** is an account owned by SO-CM used for the fulfillment of obligations to or receiving of rights from KPEI pertaining to *Stock Option Transaction settlement*.
- xxxii. **KPEI Settlement Account** is an account owned by KPEI used for the receiving of payment from or making of payment to SO-CM pertaining to *Stock Option Transaction settlement*.
- xxxiii. **Taker** is the party that has the right to exercise a *Stock Option*.
- xxxiv. **Stock Option Transaction** is the matching of a *short* order and a *long* order upon *Premium*, *Exercise* and *Automatic Exercise*.
- xxxv. **Reversal-trade** is a transaction practiced by SO-CM for the settlement of a *close long* order stock option transaction settlement with an *open short* order or *close short* order and/or the matching of a *close short* order with an *open long* order or *close long* order.
- xxxvi. **Weighted Moving Average Price (WMA)** is the resulting value of the total transaction value divided by the total transaction volume of every Underlying *Stock* in the regular market within a named period.
- xxxvii. **Writer** is the party obligated to accomplish the performance of a *Stock Option*.

2. SERVICES

- a. Services provided to SO-CM by KPEI comprise *Stock Option Clearing*, *Guarantee* and *Transaction Settlement* services.

- b. For the purpose of providing Stock Option Clearing, Guarantee and Transaction Settlement services, KPEI performs the following activities:
 - i. Conduct Clearing by Netting upon Stock Option Transactions practiced by SO-CM in Stock Exchange;
 - ii. Instruct Payment Bank to execute payment settlement process upon Stock Option Transactions by book-entry;
 - iii. Utilize Collateral and Stock Option Guarantee Fund;
 - iv. Request and obtain SO-CM information concerning but not limited to:
 - (a) Financial Condition/Financial Report;
 - (b) Signature Specimen;
 - (c) Corporate Address;
 - (d) Identity;
 - (e) Account Balance at Payment Bank;
 - (f) Mutation of account at Payment Bank;
 - v. Instruct Payment Bank to block, lift the blocking of, debit and/or credit SO-CM accounts;
 - vi. Take other necessary action to maintain order in and the timeliness of Stock Option Clearing, Guarantee and Transaction Settlement in cases where Stock Option Transaction Settlement cannot be conducted under normal circumstances.

3. STOCK OPTION CLEARING AND TRANSACTION SETTLEMENT GUARANTEE SERVICE FEES

- a. Stock Option Clearing and Transaction Settlement Guarantee fees are charged to SO-CM in the amount of 40% (forty per-cent) against the Stock Option transaction, clearing and transaction settlement fees invoiced by Stock Exchange.
- b. Fees as intended under Chapter 3 Letter a is not inclusive of taxes (if any).
- c. Fees as intended under Chapter 3 Letter a are to be deposited by Clearing Member into the KPEI account by no later than on the 12th day of the consequent month.

4. STOCK OPTION CLEARING MEMBER (SO-CM)

- a. Provisions on and qualifications for Stock Option Membership are as follows:
 - i. Applicant must meet Stock Exchange provisions regarding Stock Option Membership;
 - ii. Applicant must meet risk worthiness criteria by virtue of assessment by KPEI especially in view of credit risk worthiness, and is deemed eligible for Stock Option Membership;
 - iii. Applicant must sign a Clearing Membership agreement and submit a SO-CM Registration Application;
 - iv. Applicant must submit a document acknowledging its willingness to:
 - (a) Make a Stock Option Guarantee Fund deposit, amount and procedure of which is determined by KPEI;
 - (b) Authorize KPEI to obtain information and/or documents deemed necessary by KPEI from the Stock Exchange and/or Payment Bank regarding information relating to concerning SO-CM;
 - (c) Authorize KPEI to suspend/freeze the rights of concerning SO-CM as means to settle FI Transaction settlement in such a case whereas concerning SO-CM fails to meet its obligations to KPEI;

- (d) Agree to provide information related to the services of KPEI;
 - v. Open a SO-CM Settlement Account (Sub Account) at a Payment Bank.
- b. The rights of SO-CM are as follows:
 - i. To receive Stock Option Transaction Settlement Guarantee pursuant to meeting obligations toward KPEI;
 - ii. To utilize facilities provided by KPEI for the benefit of respective SO-CM in compliance with KPEI Rules;
 - iii. To obtain Stock Option Clearing, Guarantee and Transaction Settlement reports and information provided by KPEI.
- c. The obligations of SO-CM are as follows:
 - i. To be in the knowledge of, subject and bound to KPEI Rules;
 - ii. To meet obligations arising from each of its practiced Stock Option Transactions.

5. STOCK OPTION GUARANTEE FUND

- a. Stock Option Guarantee Fund is implemented only upon Stock Option Transactions resulting into Open Position.
- b. The sum of Stock Option Guarantee Fund extracted for every SOC is the amount of 0.01% (zero point zero one per-cent) against the Stock Option Transaction value.
- c. The obligation to deposit Stock Option Guarantee Fund as intended under Chapter 5 Letter a is to be made by SO-CM to the KPEI account monthly by no later than on the 12th Calendar Day of the consequent month.
- d. Failure of SO-CM to deposit Stock Option Guarantee Fund is sanctioned in accordance with provisions under Chapter 13, report of which will be submitted to Stock Exchange.
- e. The obligation of replenishing arising from the use of Guarantee Fund due to Payment Default remains binding and must be settled by concerning SO-CM in Payment Default.
- f. Stock Option Guarantee Fund is book-entered by KPEI separately.
- g. Stock Option Guarantee Fund is managed and administered by KPEI for the purpose of assuring the fulfillment of SO-CM's obligations in such a case whereas Collateral is not sufficient to settle concerning SO-CM's transaction settlement obligations toward KPEI.
- h. Stock Option Guarantee Fund may be utilized in compliance with Bapepam Rule Number III.B.7 regarding Guarantee Fund.
- i. Management and utilization of Stock Option Guarantee Fund is to be reported periodically by KPEI to Bapepam.
- j. KPEI charges a fee for the Stock Option Guarantee Fund investment management service in the amount of 10% (ten per-cent) against the net proceeds after deduction of Stock Option Guarantee Fund investment tax. In addition, expenses related to Guarantee Fund accounting and finance report auditing services are

charged to the Guarantee Fund with approval from the Credit Policy and Risk Management Committee.

6. COLLATERAL

- a. Collateral serves as one of the components in the calculation of Transaction Limit.
- b. Collateral is deposited by SO-CM into a Collateral Account at a Payment Bank.
- c. SO-CM may increase Transaction Limit by depositing Collateral in the form of cash.
- d. In the case where SO-CM is exposed to the potential of loss exceeding the KPEI daily risk calculation, respective SO-CM is obligated to deposit additional Collateral along the duration of trading hours.
- e. SO-CM is entitled to withdraw Free Collateral by forwarding a Collateral withdrawal request addressed to KPEI. KPEI will book-transfer such Collateral into the Settlement Account of concerning SO-CM on the Exchange Day following the day such a request is forwarded with due consideration to Collateral availability.
- f. KPEI delivers notice to SO-CM in the occurrence of loss being suffered by respective SO-CM exceeding 50% (fifty per-cent) of total Collateral.
- g. In the case where SO-CM is inflicted by loss exceeding 75% (seventy per-cent) of total Collateral, KPEI will liquidate all contract positions arising as the result of Stock Option Transactions owned by respective SO-CM.

7. VALIDATION

- a. KPEI conducts validating upon each Stock Option Transaction order in Stock Exchange against Transaction Limit and Open Position.
- b. *Open Long* order is validated primarily referring to Transaction Limit. *Open Long* order causes Transaction Limit to decrease in the amount of Premium.
- c. *Open Short* order is validated primarily referring to Transaction Limit. *Open Short* order causes Transaction Limit to decrease in the amount of Margin. Required Margin is in the amount of a named percentage calculated referring to WMA Limit determined by the Stock Exchange.
- d. *Close Long* order is validated referring to Transaction Limit and *Open Short* position. *Close Long* order causes Transaction Limit to decrease in the amount of Premium. The amount of *Close Long* may not exceed the amount of *Open Short* owned by SO-CM.
- e. *Close Short* order is validated referring to *Open Long* position availability, amount of which may not exceed that of *Open Long* owned by SO-CM.
- f. A *matched Open Long* order does not cause Transaction Limit to decrease.
- g. A *matched Open Short* order causes Transaction Limit to increase in the amount of Premium.

- h. A *matched Close Long* order may cause Transaction Limit to increase in the amount of Margin.
- i. A *matched Close Short* order causes Transaction Limit to increase in the amount of Premium.

8. STOCK OPTION TRANSACTION CLEARING

- a. KPEI implements Clearing upon Stock Option Transactions in Stock Exchange.
- b. Stock Option Transaction Clearing is conducted by Netting based on Stock Option Transaction data.
- c. Documents produced as the result of Stock Option Transaction Clearing are Clearing Documents in electronic form consisting of:
 - i. Stock Option Clearing Result List (SO-CRL, Indo: DHK-OS); and
 - ii. Stock Option Transaction Settlement Report (SO-TSR, Indo: LPT-OS).
- d. SO-CRL serves as a KPEI collection document addressed toward SO-CMs pursuant to the settlement of obligations.
- e. Clearing is conducted by KPEI in the following manner:
 - i. Determine the Stock Option position of every COS series for each SO-CM;
 - ii. Identify the position of SO-CM comprising Premium and/or Margin;
 - iii. KPEI calculates SO-CM risk upon all Stock Option positions pursuant to the calculation of Premium and/or Margin requirement. In the case where such a Premium and/or Margin requirement exceeds available collateral, then KPEI will issue an invoice, statement of which will be presented in the SO-CRL;
 - iv. KPEI issues an SO-CRL every Exchange Day by no later than at 17:00 Western Indonesia Time;
 - v. Following KPEI's receipt of the report on the status of concerning SO-CM's obligation fulfillment from Payment Bank in accordance with the SO-CRL, KPEI issues an SO-TSR on the first Exchange Day following such a Stock Option Transaction (T+1) at a named time determined by KPEI.

9. EXERCISE

- a. *Exercise* transaction is conducted by SO-CM in Stock Exchange by utilizing facilities provided by KPEI.
- b. Premium calculation for *Exercise* transaction is conducted by calculating the difference in value between:
 - i. WMA subtracted by *Strike Price* for *call option*; or
 - ii. *Strike Price* subtracted by WMA for *put option*.
- c. KPEI may reject an *Exercise* transaction in the case whereas:
 - i. WMA is lower than or equivalent to *Strike Price* for *call option*, or WMA is higher than or equivalent to *Strike Price* for *put option*; or

- ii. At a given converging time, amount of *Close Short* orders in the trading system of the Stock Exchange and *Exercise* exceeds total amount of respective SO-CM's *Open Long*.
- d. KPEI declares *Writer* as bound to *Exercise* at random.
- e. A *Writer* having been declared by KPEI as intended under Chapter 9 Letter d has the responsibility to meet its obligation attached to such an *Exercise*. The settlement of such an obligation is extracted from Margin.

10. AUTOMATIC EXERCISE

- a. *Automatic Exercise* Transaction is practiced by KPEI in Stock Exchange for the benefit of *Taker* by manner of *Close Short* against *Writer* and obligating *Writer* to *Close Long*.
- b. *Automatic Exercise* Transaction is practiced in the occurrence of the following conditions:
 - i. WMA Limit is met; or
 - ii. Lapse of Stock Option term.
- c. Should *Automatic Exercise* upon Open Position be practiced due to the accomplishment of WMA Limit, Premium calculation will be conducted by calculating the difference in value between:
 - i. WMA Limit subtracted by *Strike Price* for *call option*; or
 - ii. *Strike Price* subtracted by WMA Limit for *put option*.
- d. In the case whereas WMA issued by Stock Exchange exceeds WMA Limit, Premium calculation will be primarily referred to WMA Limit.
- e. Should *Automatic Exercise* Transaction upon Open Position be practiced due to the lapse of Stock Option term, Premium calculation will be conducted by calculating the difference in value between:
 - i. Most recent WMA prevailing on the expiry Exchange Day of Stock Option term subtracted by *Strike Price* for *call option*; or
 - ii. *Strike Price* subtracted by most recent WMA prevailing on the expiry Exchange Day of Stock Option term for *put option*.
- f. KPEI liquidates all Open Positions other than those as intended under Chapter 10 Letter e in the following occurrences:
 - i. Most recent WMA prevailing on the expiry Exchange Day of Stock Option term is lower than or equivalent to *Strike Price* for *call option*; or
 - ii. Most recent WMA prevailing on the expiry Exchange Day of Stock Option term is higher than or equivalent to *Strike Price* for *put option*.

11. FULFILLMENT OF RIGHTS AND OBLIGATIONS

- a. The fulfillment of Stock Option Transaction rights and obligations is conducted by means of *cash settlement*; accomplishment of which does not involve physical delivery.

- b. SO-CM's fulfillment of obligations to KPEI is conducted by book-transferring money from the SO-CM's Collateral Account or Settlement Account to the KPEI Settlement Account on T+1 by no later than at 08:00 Western Indonesia Time, while the fulfillment of SO-CM's rights by KPEI is conducted by book-transferring money into the SO-CM's Collateral Account or Settlement Account on T+1 at 09:00 Western Indonesia Time.
- c. In the case of delay in the settlement of a Stock Option Transaction as a result of Force Majeure, such a delay will not be regarded as default in the fulfilling of rights and obligations by SO-CM or KPEI.
- d. In the event of Force Majeure, the party inflicted by Force Majeure is obligated to deliver notice to the other party within 1 x 24 hours as from the occurrence of Force Majeure.
- e. In the event of Force Majeure, KPEI together with Stock Exchange will determine an Exchange Day on which to settle such a delayed Stock Option Transaction.

12. NON FULFILLMENT OF RIGHTS AND OBLIGATIONS OF SO-CM AND COUNTERMEASURES THEREOF

- a. In the case whereas by 08:00 western Indonesia Time (T+1) SO-CM fails to meet its obligations in accordance with the SO-CRL, respective SO-CM will be declared as in Payment Default.
- b. In the case SO-CM is declared as in Payment Default KPEI will impose sanction as stipulated in Chapter 13 and report the case to Stock Exchange for further imposing of suspension sanction.
- c. SO-CM under suspension sanction imposed by Stock Exchange as the result of Payment Default or any other reason, is obligated to close all Open Positions in its possession through the trading system of Stock Exchange, or forward a request addressed to KPEI for the transfer of all its Open Positions along with Margin to another SO-CM, until the closing of the trading session of the respective Exchange Day.
- d. Transfer of Open Position as intended under Letter c is made by KPEI on the Exchange Day following that on which the request is forwarded, should such a transfer be accepted by another SO-CM appointed by the SO-CM under suspension sanction.
- e. The SO-CM accepting the transfer of Open Position as intended under Chapter 12 Letter c herein, is obligated to treat such a transfer equal to any common client investor order.
- f. In the case whereas the transfer of Open Position as intended under Chapter 12 Letter c herein cannot be made on the Exchange Day SO-CM is declared to be in Payment Default, concerning SO-CM is only permitted to perform *Exercise* transactions until the end of the Stock Option term.
- g. The SO-CM in Payment Default is imposed a fine in the amount of 0.25% (zero point two five per-cent) calculated against the Payment Default value per Calendar Day until all invoiced sums have been settled by respective SO-CM.

- h. In the case KPEI utilizes Stock Option Guarantee Fund, KPEI may undertake the following actions:
 - i. Commence a process of selling and/or liquidating all respective SO-CM's assets in the possession of KPEI;
 - ii. Commence a process of selling all Stock Exchange shares owned by respective SO-CM and forward an appeal to the Stock Exchange as to revoke respective SO-CM's Stock Exchange Stock Option Membership Approval; and
 - iii. Commence an act of law to file bankruptcy against the SO-CM in question through Bapepam.
- i. Expenses arising as the result of handling default will be borne by respective SO-CM in Payment Default.

13. VIOLATIONS AND SANCTIONS FOR SO-CM

- a. A violation is an action or activity undertaken by SO-CM that is contradictory to KPEI Rules regarding Services Provided by KPEI.
- b. Violations as intended under Chapter 13 Letter a herein comprises:
 - i. non-settlement of KPEI invoices;
 - ii. failure to balance Stock Option Guarantee Fund plus fine
 - iii. failure to abide by KPEI Rules.
- c. Measures or sanctions that may be imposed by KPEI upon SO-CM include the following:
 - i. Written Reprimand;
 - ii. Written Reprimand plus Administration Fee;
 - iii. Fine;
 - iv. Suspension (from receiving KPEI services);
 - v. Revocation of SO-CM status.
- d. Sanctions as intended under Chapter 13 Letter c herein may be imposed in stages or altogether at once, and in such a case, sanctions serve only as a description of category of sanctions that may be imposed upon SO-CMs in violation of KPEI Rules.
- e. Other than sanctions that may be imposed upon SO-CMs as intended under Chapter 13 Letter c herein, KPEI has the authority to reveal SO-CMs in violation through announcement issued by KPEI or published through mass media in printed and/or electronic form.
- f. The Written Reprimand sanction as intended under Chapter 13 Letter c Point ii herein is imposed according to / under the following provisions:
 - i. The First Written Reprimand plus a maximum Administration Fee of Rp.2,500,000.00 (two million five hundred thousand Rupiah) and/or the imposing of Transaction Limit through Stock Exchange upon respective SO-CM for a maximum period 5 (five) Exchange Days.
 - ii. The Second Written Reprimand plus a maximum Administration Fee of Rp.5,000,000.00 (five million Rupiah) and/or the forwarding of an appeal to Stock Exchange to impose suspension upon SO-CM in question for a maximum period of 10 (ten) Exchange Days.
 - iii. The Third Written Reprimand plus a maximum Administration Fee of Rp.100,000,000.00 (one hundred million Rupiah), and giving

KPEI the right to forward an appeal to Stock Exchange for the revocation of concerning SO-CM's Stock Exchange Stock Option Membership Approval.

- g. In the case of Administration Fee being imposed upon SO-CM as intended under Chapter 13 Letter f herein, such Administration Fees are to be deposited into the KPEI account by no later than 4 (four) Exchange Days as from the imposing of such Administration Fees by KPEI.
- h. In such a case whereas SO-CM fails to pay the Administration fee within the determined time frame, KPEI will impose suspension upon SO-CM in question plus a delay fine in the amount of 1% (one per-cent) of the Administration Fee for every Calendar Day of delay.
- i. In the case whereas SO-CM is imposed the Stock Exchange Stock Option Membership Approval revocation sanction by Stock Exchange, such an action will be followed by the revocation of respective SO-CM's Membership Approval.
- j. Revocation of Stock Exchange Stock Option Membership Approval and/or SO-CM Clearing Membership does not relieve respective SO-CM of the responsibility to settle all its obligations toward other SO-CMs, KPEI and/or other parties in compliance with prevailing laws.
- k. Should any of SO-CM's obligations remain following such a revocation, in compliance with this Rule, KPEI has the authority to sell any of respective SO-CM's assets in the custody of KPEI including shares or its derivatives in Stock Exchange for the settlement of such remaining obligations.
- l. SO-CM rejecting sanction upon it may forward a complaint addressed to Bapepam within a period of 10 (ten) Exchange Days counted as from the date such a sanction is made effective.
- m. In the case whereas such a rejection upon sanction is declined by Bapepam, then the sanction will be enforced, and should such a rejection be acceptable to Bapepam, then the intended sanction will be withdrawn or adjusted by ruling of Bapepam. Such a withdrawal or adjustment will be announced by KPEI.

14. TRANSITIONAL PROVISIONS

Provisions regarding Stock Option Guarantee Fund, announcement as intended under Chapter 6 Letter f herein, and liquidation as intended under Chapter 6 Letter g herein will come into effect as from the moment this Rule is declared to be in force. However, implementation thereof will be brought into force upon declaration that Margin is lower than WMA Limit.

Resolved in Jakarta, on this day of May 5th 2005

Inarno Djajadi
President Director

Eddy Sugito
Director