

**THE BOARD OF DIRECTORS CHARTER
PT KUSTODIAN SENTRAL EFEK INDONESIA**

CHAPTER 1 INTRODUCTION

Background

The Board of Directors (BOD) is the governing organ of PT Kustodian Sentral Efek Indonesia (hereinafter referred to as "KSEI" or "Company"). BOD has full authority and responsibility in managing the Company for the Company's interest.

BOD has a significant role in managing the Company. Thus, a work-guideline (hereinafter referred to as the Charter) is required. This Charter is a guideline for BOD in carrying out its duties, responsibilities, and authority to meet the interests of service users, shareholders and other stakeholders.

BOD Charter is an explanation of the Corporate governance guidelines. BOD in carrying out its duties at any time will act and behave based on the laws and regulations, the provisions of the Articles of Association, Company's regulations, code of ethics, as well as best practices of Good Corporate Governance (GCG).

Purpose and Objectives

BOD charter is a guideline to carry out duties and responsibilities in an effective, transparent, competent, independent, and accountable manner that can be accepted by all stakeholders according to laws and regulations.

References

All matters stipulated in this Charter refer to the following legal basis:

1. Law No. 40 of 2007 concerning Limited Liability Companies.
2. Financial Services Authority Regulation Number 60/POJK.04/2016 concerning Directors and Commissioners of the Central Securities Depository.
3. The decision of the Chairperson of the Capital Market and Financial Institution Supervisory Agency Number Kep-16/PM/1996 concerning Procedures for Granting Approval to the Central Securities Depository's Articles of Association (Rule Number III.C.5).
4. Decision of the Chairperson of the Capital Market and Financial Institution Supervisory Agency Number Kep-29/PM/1998 concerning Operational Procedures and Internal Control of Central Securities Depository (Rule Number III.C.6).
5. Company's Articles of Association.
6. KSEI Regulation No. IX regarding the Work Committee and the KSEI Budget Committee, Attachment to the Decree of BOD No. KEP-0024/DIR/KSEI/0516 dated May 16, 2016.
7. KSEI's Corporate Governance Guidelines.
8. KSEI Code of Business Ethics and Code of Conduct.
9. General Guidelines on GCG in Indonesia from the National Committee on Corporate Governance (CG) 2006.
10. ASEAN CG Scorecard & International Corporate Governance Network (ICGN) Principles.
11. Organization for Economic Co-operation and Development (OECD) Principles of Corporate Governance.

CHAPTER 2

ORGANIZATION AND TERM OF OFFICE OF BOARD OF DIRECTORS

Organization of Board of Directors

BOD organization regulates membership structure, composition, membership criteria, concurrent positions, appointments (nominations), orientation and capability enhancement, dismissal and the resignation of BOD members.

Membership Structure of Board of Directors

The structure and number of the Board of Directors' members are determined by the General Meeting of Shareholders (GMS) based on the vision, mission and strategic plan of the Company. The structure and number of the Board of Directors' members enable BOD to make effective, right, fast decisions and can act independently, i.e. having no conflicts of interest that can interfere with his/her ability to carry out the duties.

Composition of Board of Directors

The composition of BOD refers to the following provisions:

1. BOD shall be consist of, at least, 2 (two) people and no more than 7 (seven) people. One of whom shall be appointed as the President Director.
2. The numbers of BOD position is proposed by BOC after being reviewed by the Financial Services Authority (OJK).

The Board of Directors' Membership Requirements

BOD's members are obliged to meet the integrity and competency requirements, and passed the fit-and-proper test.

Integrity:

1. Individual of Indonesian citizen and capable of taking any legal action;
2. Have good morale and integrity;
3. Have never been declared bankrupt or has never been a former BoC or BoD who was declared guilty causing a bankruptcy of a company;
4. Have never been sentenced for any crime;
5. Have never conducted any disgraceful act by submitting the proof of Police Certificate with the issuance date of not more than 6 (six) month until the submission to the Financial Services Authority (OJK) or according to validity date provided by the police if less than 6 (six) month; and
6. Have the commitment toward the development of Central Securities Depository and Indonesia Capital Market.

Competencies:

1. Have comprehensive knowledge on the Capital Market laws and regulations and ample knowledge about the Capital Market;
1. Understand the principles of GCG and Risk Management of the Company; and
2. Have sufficient background and experiences in capital market industry.

Concurrent Position of BOD

BOD members are prohibited from having concurrent positions as members of the BOD, members of the Board of Commissioners (BOC), or employees of other companies.

Appointment (Nomination) of the BOD Member

The procedure for nomination and submission, as well as the selection and appointment of BODs' members, refers to the laws and regulations.

Orientation and Capability Development Programs for BOD Members

Provisions regarding orientation and capability development programs of BOD members are as follows:

1. The newly appointed BOD members shall participate in an orientation program.
2. The newly appointed members of BOD will be explained about the Company's vision, mission, and values.
3. The capability development program is highly important for BOD members in order to obtain the most recent information on the latest programs in the Company's business activities and other knowledge related to the implementation of their duties and responsibilities.
4. The capability development programs are carried out in order to improve the effectiveness of BOD's performance.
5. Plans for capability development program must be stated in the Company's Annual Work Plan and Budget (AWPB).
6. Every BOD members can participate in various capability development programs, such as seminars or training and presentations from a member of BOD to other members regarding information, knowledge and experience.

Dismissal of the BOD Member

1. The members of BOD tenure ends automatically if :
 - a. No longer Indonesian citizen;
 - b. Not capable of carrying out legal actions;
 - c. Was declared bankruptcy or became a Commissioner or member of BOD who was found guilty or involved in causing a company to go bankrupt;
 - d. Was convicted of a criminal offense;
 - e. Has permanent obstruction;
 - f. Passes away; and or
 - g. Has completed his/her term of office.

2. BOD members may be dismissed from their positions by OJK if:
 - a. Do not have good character and morals;
 - b. Conducting disgraceful acts in the capital market and financial sector;
 - c. Committing material violations of the laws and regulations in the field of financial services;
 - d. Do not have a commitment to the Company's development; and or
 - e. Failed or are unable to carry out duties.

Resignation

Provisions for the resignation of BOD member are as follows:

1. BOD members are entitled to resign from their positions by notifying the Company in writing no later than 30 (thirty) days before the date of resignation.
2. BOD shall report resignation to OJK in no later than 5 (five) workdays from the date the resignation letter is received by BOD.

Provisions for Vacant Positions

Provisions for vacant positions are as follows:

1. If there is a vacancy in BOD positions, BOD must report to OJK in no later than 5 (five) workdays since the vacancy is acknowledged by BOD.
2. If there is a vacancy in BOD positions due to any reasons, then, in no later than 3 (three) months after the position is vacant, a GMS must be held to fill the vacant position unless otherwise stipulated by OJK based on laws and regulations in the capital market.
3. If the position of President Director is vacant, one of BOD members shall be appointed as a temporary President Director, based on BOD decision, to carry out the President Director's duties and authority until the appointment of a replacement by the GMS, after obtaining the BOC and OJK's approval.
4. If there is vacancy in BOD aside from the position of President Director, the duties and authority of BOD members, who are currently vacant, are transferred to other members of BOD until the appointment of a replacement by the GMS after obtaining the BOC and OJK's approval.
5. If for any reason the Company does not have any members of BOD, the BOC shall carry out the duties of BOD with the same power and authority for temporary.

Temporary Dismissal

BOD members may be temporarily dismissed by the BOC in accordance with laws and regulations.

Temporary Leave/Absence

1. BOD members are entitled to apply for leave or temporary absence from attendance at the Company or for the Company's interest. Temporary leave can be carried out on the grounds of illness that requires special treatment, religious obligations, and/or other reasons in accordance with the Company's policy.
2. In relation with the implementation of leave of absence and other matters which cause BOD members can not carry out their duties within a certain period of time (temporary absence), the concerned BOD members have to apply permission for a temporary leave/absence to the President Director with copies to other BOD members.

3. If the President Director proposes for a temporary leave/absence, the President Director have to apply permission for temporary leave/absence to the President Commissioner and prepare a power of attorney to transfer his/her duties to another BOD member.
4. Temporary leave/absence letters must include the number of leave days.
5. In order for the Company's operations to be carried out properly, at least one member of BOD shall always be present at the domicile of the Company.

Term of Office of BOD Members

The term of office of BOD members refers to the following provisions:

1. The term of office of BOD members shall be 3 (three) years, calculated from the closing of GMS for the appointment until the closing of GMS in the third year. BOD members may only be reappointed for 1 (one) term of office under the following conditions:
 - a. If a BOD member is appointed to fulfill the vacant position in BOD and/or if additional member is required, the term of office shall be valid for the remaining term of office of the current serving members; and
 - b. 1 (One) term of office of a BOD member shall be calculated if member has served for at least 2/3 (two-thirds) of his/her tenure; and
 - c. The entire term of office of a BOD members on the Stock Exchange, the Clearing and Guarantee Institution, and the Central Securities Depository shall be a maximum of 3 (three) terms of office.
2. The expiration of term of office of BOD shall be regulated differently from the expiry of the term of office of BOC .

CHAPTER 3

DUTIES, RESPONSIBILITIES AND AUTHORITY OF THE BOARD OF DIRECTORS

Duties of the Board of Directors

The duties of BOD are related to general management, risk management, internal control, communication and social responsibility.

1. The Duties related to the Company's Management
 - a. BOD in managing the Company based on policies, laws, and regulations and/or Articles of Association, and in accordance with the Company's purposes and objectives.
 - b. BOD prepares and submits the Company's AWPB based on the vision, mission, and values as referred to in letter b and submits it to OJK by no later than November 5th.
 - c. BOD carries out the Company's management in good faith, full of responsibility and prudent principle for the interests of the Company based on the vision, mission and values.
 - d. BOD manages the Company by upholding the principles of Good Corporate Governance (GCG).
 - e. BOD must be able to control the Company's resources effectively and efficiently in order to achieve the Company's purposes and objectives.
 - f. BOD is obliged to consider a reasonable interests of stakeholders.
 - g. BOD members must comply with the rules and charter so that the implementation of their duties can be directed and effective and can be used as one of the performance appraisal tools
 - h. BOD is obliged to maintain a harmonious work atmosphere in the Company by creating a conducive work environment. Therefore, the employees can work properly to achieve the companys' goals.
 - i. BOD have to explain matters inquired by the BOC.
 - j. The company's financial statements is audited by public accountant. The audit report is submitted in writing to the GMS.
 - k. BOD prepares and submits an annual report to the GMS after being reviewed by the BOC in no later than 6 (six) months after the end of the Company's fiscal year.
 - l. BOD implements the GMS resolution that in accordance with the company's objectives, laws and regulations.
 - m. BOD conducts discussions with public accountants regarding financial statements audit and ensures follow-up on the audit results.
2. Duties related to Risk Management
 - a. BOD develops and implements an integrated Company's risk management system that covers all the Company's activities.
 - b. BOD considers business risks in every decision-making process.
 - c. BOD is assisted by the Internal Audit, Risk Management Unit, and Risk management Committee in carrying out duties related to risk management.
3. Duties related to Internal Audit
 - a. BOD develops and implements a reliable internal audit system in order to maintain the Company's assets and performance to provide central securities depository services and comply with the laws and regulations.

- b. BOD is assisted by the Internal Audit and Internal Control Committee in carrying out duties related to internal control.
 - c. BOD is obliged to follow up on audit findings and recommendations from Internal Audit, external auditors, OJK, and/or other supervisory authorities.
4. Duties related to Communication
- a. BOD must ensure that communication between the Company and stakeholders is carried out properly.
 - b. BOD issued an annual report approved by the GMS annually. The annual report contains financial performance, the Company's activities, and the implementation of corporate governance.
 - c. BOD provides explanations to the GMS on the annual report as well as information relating to the Company following the agenda and Company's interests.
5. Duties related to Social and Environmental Responsibility
- a. BOD ensures that assets and business locations, as well as other facilities of the Company, meet the laws and regulations related to occupational health and safety and environmental conservation.
 - b. BOD employs, determines salary levels, provides training, determines career paths, and other job requirements, without having a bias of their ethnicity, religion, gender, age, disability, or other special circumstances protected by the laws and regulations.
 - c. BOD provides a work environment that is free from all forms of pressure (harassment) arising from differences in character, personal circumstances, and cultural background.
 - d. BOD ensures the fulfillment of the Company's social and environmental responsibilities to maintain the Company's going concerns.

Responsibilities of the Board of Directors

The general responsibilities of BOD are as follows:

1. All members of BOD signed the Annual Report following the fiscal year. The BOD members who do not sign the Annual Report must state the reasons in a separate letter attached to the annual report, otherwise considered to agree with the content of Annual Report.
2. BOD members are collectively responsible for the reliability of the Company's financial statements.
3. BOD is required to prepare and keep the minutes of GMS.
4. BOD must ensure compliance with the implementation of regulatory provisions concerning service users
5. BOD members provides all information required for carrying out an examination of the Company determined by the decision of the Chairman of the Court in accordance with statutory regulations
6. BOD members shall notify the Company in writing their correspondence address and amendments thereof.
7. BOD prepares BOD Charter which is periodically reviewed and updated.

In addition, BOD also has responsibilities related to losses/bankruptcy, Shareholders' register, membership of the BOC and BOD, merger/partnership/aquisition/split-up/ termination, capital reduction and transfer of rights of shares.

1. Responsibilities related to Losses/Bankruptcy
 - a. BOD members are collectively responsible for the Company's losses/bankruptcy if the concerned BOD member is guilty or negligent in carrying out his/her duties pursuant to the laws and regulations.
 - b. BOD members are collectively responsible for the losses suffered by shareholders in good faith, which arise from the buyback of shares that are null and void due to the prevailing laws and regulations.
2. Responsibilities related to Shareholders' Register
 - a. BOD organizes and keeps Shareholders' register in accordance with the laws and regulations.
 - b. In addition to the Shareholders register as referred to point a, BOD shall organize and keep a special list containing information on the shares of the BOD and BOC members, as well as their families, in the Company and/or other companies, and the date when the shares were obtained.
 - c. BOD have to record the transfer rights of shares, the date and day of the transfer in the Shareholders Register or special list as referred to point a and b and notifies the changes in the composition of shareholders to the Minister to be recorded in the Company Register in no later than 30 (thirty) days since the date of recording of the transfer of rights.
3. Responsibilities related to BOC and BOD Membership
 - a. BOD members announce the cancellation appointment of other members of BOD and BOC in accordance with the laws and regulations through the newspaper and notify the Minister to be recorded in the Company Register.
 - b. BOD must report to OJK regarding the vacant positions in BOC and BOD member in no later than 5 (five) work days since the vacancy is acknowledged by BOD.

Authority of the Board of Directors

BOD authority in conducting its duties and responsibilities are as follows:

1. BOD is entitled to represent the Company both inside and outside the Court regarding all matters and in all incidents, to bind the Company with other parties and other parties with the Company, and to take all actions, both regarding Company's management and ownership, but with restriction for:
 - a. Obtaining or releasing immovable goods;
 - b. Securing/pledging Company assets;
 - c. Giving and obtaining loans on behalf of the Company;
 - d. Making, amending, canceling and terminating agreements which values and types determined by BOC from time to time; must be approved by BOC.
 - e. Establishing a new company, investing in the other company, increasing or reducing investment in other companies must be approved by BOC.
2. BOD has the right to propose to the GMS the name of Business Committee member, Regulatory Committee member and Internal Control Committee member.
3. BOD is entitled to refuse to record the transfer rights of shares in the Shareholders Register by providing the reasons, if the required procedures are not fulfilled or if one of the requirements of the authorized parties is not fulfilled.
4. BOD is authorized to stipulate the conditions of share ownership evidence in case of termination or liquidation of shareholders who constitute a legal entity or due to any reasons that cause shares ownership to change according to the laws and regulations.

5. BOD has the authority to give the power of attorney (PoA) to 1 (one) or more Company's employees or to others for and on behalf of the Company to take certain legal actions.
6. BOD may appoint an external auditor who has international experience and reputation to review the internal control system, assess and report on the effectiveness of the Company's internal control system, including protection against fraud, embezzlement, natural interference, and electronic damage.
7. BOD determines the form of the share certificate or collective share certificate as proof of share ownership. BOD issues a replacement share certificate if the share certificate or collective share certificate is damaged, unusable, or lost.
8. BOD can open branch offices or representative offices, both inside and outside the territory of the Republic of Indonesia, with the approval of BOC.

Limitation of the Board of Directors' Authority

In carrying out its duties and responsibilities, BOD as the highest operational mandate granted by shareholders through the GMS also has authority limitation. Their limitations such as:

1. In the case of formulating or altering the service provision regulations by the Company, BOD is obliged to obtain BOC approval before being submitted to the OJK for approval. The regulations shall apply after obtaining the OJK's approval.
2. BOD is collectively given financial authority to approve company expenses up to a certain value as stipulated in the Decree of BOD related to the procurement process.
3. BOD members are not authorized to represent the Company, if:
 - a. There are lawsuit cases in court between the Company and the concerned BOD member; or
 - b. The concerned BOD members have a conflict of interest with the Company.
4. If a situation as referred to in number 3 point b occurs, the parties entitled to represent the Company are:
 - a. Other BOD members who do not have a conflict of interest with the Company.
 - b. BOC if all BOD members have a conflict of interest with the Company; or
 - c. Other parties appointed by the GMS if all members of BOD or BOC have a conflict of interest with the Company.
5. BOD shall no longer have the authority to carry out new legal actions on behalf of the Company after the Company's establishment period stipulated in the Articles of Association expires.
6. BOD must obtain GMS approval to transfer the Company's assets or make a pledge for the Company's wealth assets which constitute more than 50% (fifty percent) of the Company's net assets.

The Duties and Authorities of the Board of Directors

The duties and authorities of BOD members are determined by a GMS decision. If the GMS does not stipulate, the duties and authorities are deliberated by the BOD members based on the functions in the Company. The stipulation in the Decree of BOD is based on the applicable laws and regulations. The duties and authorities of BOD are as follows:

1. President Director

- a. The President Director has the responsibility to coordinate BOD members and to handle Corporate Communication Division, Corporate Secretary, Project Management, and Risk Management Division and Internal Audit Division.

- b. The President Director has the right and authority to represent and act for and on behalf of the Directors and the Company. If the President Director is not present or unable to attend due to any reason, which does not need to be proven to a third party, 2 (two) other members have the right and authority to act for and on behalf of BOD and represent the Company.
- c. The President Director has the responsibility to improve the quality of corporate governance and to build and maintain good relations with all stakeholders.
- d. The President Director has the authority to lead the GMS regarding the appointment of BOC members. If the President Director is unable to attend, he/she can be replaced by another BOD member.
- e. The President Director signs the Shareholders Register, the record in Shareholders Register and the Share Certificate.

2. Director I

Director I handles Information Technology Division, Custodian Services Division, Surveillance and Compliance Division, Information Systems Development Division and Transaction Settlement and Services Administration Division.

3. Director II

Director II handles Investor Management and Services Division, Legal Division, Research and Business Development Division, Human Resources and General Affairs Division as well as Finance Division.

CHAPTER 4

WORK MECHANISM OF BOARD OF DIRECTORS

BOD Meeting

General requirements regarding BOD meeting are as follows:

1. BOD meeting is a meeting held by BOD to discuss strategic issues related to the Company's management, including deciding of transfer of duties of BOD member who is deemed unable to carry out his/her duties to other BOD members who are deemed capable of carrying out duties, after obtaining approval of BOC and OJK, as well as GMS. BOD meeting also has the authority to transfer the duties of the vacant BOD member besides the President Director to other BOD members until the appointment of a replacement by the GMS, after obtaining the approval from BOC and OJK.
2. BOD meetings consists of internal meetings whom attended by BOD members, and external meetings whom attended by other parties.
3. BOD meetings are held regularly with certain rules and procedures. The results of the meetings are documented and distributed to meeting participants and other parties as needed.
4. Each BOD member is obliged to attend, at least, 75% (seventy-five percent) of meetings held in a year. The meetings frequency and attendance of BOD are reported in the Annual Report. BOD must determine the guidelines/rules of conduct of BOD meeting, at a minimum are the meeting ethics, minutes of meetings, evaluation of the follow-up to the results of the previous meeting, as well as discussion of directions/proposals and/or decisions of BOC. BOD also evaluates the implementation of the previous meeting result.

Implementation of Board of Directors Meetings

The BOD meeting procedures are as follows:

1. BOD must set a meeting schedule for the following year before the end of the current financial year or at the beginning of the next fiscal year period, both for BOD meeting and meetings held with other parties.
2. BOD meetings are held at least 1 (one) time in 1 (one) month. Meetings of BOD may be held at any time if required by one or more BOD members or at the written request of one or more BOC members with consideration of BOC decisions or at the written request by 1 (one) or more shareholders who together represent 1/10 (one-tenth) of the total number of shares with voting rights.
3. Each BOD member is entitled to propose an agenda for the meeting.
4. A member of BOD who is unable to attend a meeting must notify the President Director or other BOD members who serve as the chairman of the meeting.
5. A BOD member may be represented at the meeting only by other BOD members based on a power of attorney. A BOD member can only represent one member.
6. BOD meetings are held at the Company's place of domicile, the place of the Company's main business activities, or at a mutually agreed place.
7. The BOD meeting is led by the President Director. If the President Director is absent for any reason that does not need to be proven to a third party, BOD meeting shall be led by a member of BOD who has the longest terms of office.

8. Invitation for BOD meeting is carried out by the President Director. If the President Director is not present or unable to attend due to any reason, which does not need to be proven to a third party, 2 (two) other BOD members have the right and authority to act for and on behalf of BOD.
9. Procedures regarding invitation for BOD meeting refer to the Articles of Association and applicable laws and regulations.
10. If all BOD members are present or represented, a prior invitation is not required and a meeting can be held anywhere and has the right to make legal and binding decisions.
11. Deliverable of meeting agenda and material is 5 (five) business days before the meeting.
12. If the meeting is held out of schedule that has been arranged, the meeting material is delivered to the meeting participants no later than before the meeting.
13. Materials and invitation are prepared by the Corporate Secretary.
14. BOD meetings can be held or conducted through video conferencing, teleconferences, or other electronic media facilities that allow all meeting participants to see and hear each other directly and participate in meetings. All participants are present to determine the fulfillment of quorum and voting requirements or decisions.

The Board of Directors Meeting Decision Making

The decision-making procedures of BOD meeting are as follows:

1. BOD meetings are valid and have the right to make binding decisions if more than 2/3 (two-thirds) of the total number of BOD members are present or represented at the meeting.
2. Quorum provisions refer to the Articles of Association and applicable laws and regulations.
3. Decisions of BOD meetings must be made based on deliberation to reach consensus. If a decision based on consensus is not reached, the decision is taken by voting based on agreed votes of at least more than 1/2 (one-half) of the total votes cast at the meeting.
4. If the votes that agree and disagree are equal, the chairman of the meeting has a decisive vote.
5. Each present member of BOD is entitled to cast 1 (one) vote and an additional 1 (one) vote for another BOD member that he/she represents. If BOD member does not vote (abstain), he/she must support and is responsible for the meeting's decision.
6. Voting on behalf of others is carried out through a closed voting mechanism without a signature, whereas voting on other matters is conducted openly unless the meeting chairman determines otherwise without objections from those present.
7. Blank votes and invalid votes are deemed not cast legally and non-existent, therefore are not counted in determining the number of votes issued.
8. BOD may also make decisions without a meeting if all BOD members give their approval regarding the submitted proposal in writing and sign the agreement. Decisions made in this manner have the same rights as decisions made legally at a meeting.
9. Each BOD member who personally, has a direct or indirect interest in proposed transactions, contract or proposed contracts, in which the Company is one of the concerned parties, is obliged to state the nature of his/her interest in the meeting and the concerned BOD member is not entitled to participate in voting on matters related to those transactions or contracts, unless the meeting determines otherwise.

Minutes of BOD Meeting

Procedures regarding the minutes of BOD meeting are as follows:

1. Each BOD meeting must have a minute of meeting containing opinions in the meeting, supporting or dissenting opinions, decisions/conclusions of the meeting and reasons for the absence of BOD members (if any).
2. Minutes of BOD meeting must be made by the Corporate Secretary or one of the people present at the meeting appointed by the chairman. Minutes of the meeting must be signed by the chairman of the meeting and BOD members. If the minutes of the meeting is made by a Notary, the signature is not required.
3. Minutes of the meeting serve as valid evidence, both for BOD members as well as for shareholders and third parties, regarding decisions made at the meeting.
4. Minutes of BOD meetings held using video conferencing media, teleconferences or other electronic media facilities must be made in writing and circulated to all BOD members for inspection and approval.
5. Minutes of BOD meetings are confidential documents. Those documents are maintained and kept by the Corporate Secretary. The minutes must be available if requested by each BOD member or BOC. Other parties can obtain minutes of BOD meeting only after approved by BOD.
6. Each BOD member is entitled to obtain a copy of the minutes meeting, even though he/she was not present at BOD meeting.
7. Minutes of BOD meetings must be submitted to all BOD members for approval or rejection and submission of revisions (if any) prior to the next meeting is held. If there is no rejection and submission of the revision within the specified time, it can be concluded that there is no rejection of the minutes of the meeting.
8. Information related to following up decisions in the BOD meeting to units/division must be immediately delivered to the related divisions/units to be followed-up immediately.

Supporting Organs of the Board of Directors

Committees of the Board of Directors

BOD can constitute committees to effectively support their duties and to comply with the laws. BOD constituted Budget Committee, Regulatory Committee, Business Committee, Internal Control Committee, Risk Management Committee and Investment Committee. Further regulations regarding the BOD committee are regulated in a separate charter determined by BOD.

Corporate Secretary

1. Each BOD meeting must have a minute of meeting containing opinions in the meeting, supporting or dissenting opinions, decisions/conclusions of the meeting and reasons for the absence of BOD members (if any).
2. Corporate Secretary is formed to carry out administrative and secretarial tasks related to all BOD activities in carrying out its duties and authorities. The selection and appointment of the Corporate Secretary are determined by BOD based on BOD recommendations. The responsibilities of the Corporate Secretary are as follows:

- a. To record and distribute minutes of BOD meetings to related parties.
 - b. To represent BOD in delivering invitation and materials for BOD meeting to the meeting participants.
3. BOD evaluates the Corporate Secretary's performance every year.

Relationship of Board of Directors with Related Parties

BOD coordinates with BOC in organizing the GMS, Audit Committee, Remuneration Committee (if any), Budget Committee, Regulatory Committee, Business Committee and Internal Control Committee.

Relationship between Board of Directors and Board of Commissioners

The main duty of BOD is managing Company's operational under BOC supervision, which includes activities related to Company's operational developments and performance management.

The relationship between BOD and BOC are as follows:

1. BOD is responsible for ensuring that:
 - a. BOC receives periodic reports regarding Company's operational in a timely and complete manner;
 - b. BOC receives explanations on the questions asked regarding the Company's operations and data.
2. Review the Company vision and mission with BOC.
3. BOD and/or other officials with BOD permission may be invited to attend BOC meeting as a guest speaker.
4. BOD and BOC conduct meetings to discuss the Company's strategic issues, such as the Company's performance, operational issues, financial issues and other significant issues.
5. BOD follows-up on the input and/or decision of BOC as a supervisor.

Relationship of the Board of Directors in General Meeting of Shareholders

Relationship of BOD in GMS are as follows:

1. BOD is appointed by the GMS. Thus, BOD in each Annual GMS is obliged to report its responsibilities by submitting a management report at the Annual GMS.
2. If the accountability report is accepted by the GMS, BOD shall be released from the past period responsibility.
3. BOD must hold an Annual GMS and GMS to approve the Company's AWPB.
4. In carrying out certain activities, BOD must obtain written approval from the GMS in accordance with the laws and regulations.

Relationship between the Board of Directors and Audit Committee

Relationship between BOD and Audit Committee are as follows:

1. There is indirect relationship between BOD and Audit Committee because the Audit Committee is formed by BOC.
2. BOD offers input, orders, and coordinates with their subordinate organs to support the effectiveness and smoothness of the duties and responsibilities of the Audit Committee, especially the provision and preparation of data and information needed.
3. BOD may request an Audit Committee recommendation regarding the Head of Internal Audit Division.

Relationship between the Board of Directors and Budget Committee

The Budget Committee conducts a review and provides recommendations on the AWPB submitted by BOD to obtain approval from BOC.

Relationship between the Board of Directors and Regulatory Committee

Relationship between BOD and Regulatory Committee are as follows:

1. BOD can communicate with the Regulatory Committee on a monthly basis to discuss their duties and recommendations given by them.
2. BOD proposes regulations on Custodian services and Company internal procedures to obtain the approval from the Regulatory Committee before being submitted to OJK.

Relationship between BOD and Business Committee

Relationship between BOD and Business Committee are as follows:

1. BOD may communicate with the Business Committee on a monthly basis to discuss their duties and recommendations given by them.
2. BOD proposes matters related to service developments and fees, as well as plans for business changes, new services and changes in fees to obtain the approval from Business Committee before being submitted to the OJK.

Relationship between the Board of Directors and Internal Control Committee

BOD can communicate with the Internal Control Committee on a monthly basis to discuss their duties and recommendations given by them, as well as high risk operational problems.

The Board of Directors Performance Appraisal

Performance Assessment

The performance assessment of BOD refers to the following procedures:

- a. BOD member performance assessments are carried out by BOC annually.
- b. In general, BOD performance is determined based on the agreed duties and responsibilities, the Company's Articles of Association, as well as the relevant and binding laws and regulations established in the Key Performance Indicators (KPIs).
- c. The assessment criteria are conveyed openly to BOD at the beginning of the term of office, which can be useful as a target for BOD performance, both collectively and individually.
- d. The performance appraisal results can be used to assess and to improve work effectiveness.

Assessment Criteria

In conducting a performance assessment, several criteria that have been approved, such as:

- a. Achievement in managing the Company according to the Company's objectives and values (there is a prior self-assessment from BOD).
- b. Cooperation among BOD members.

- c. Effectiveness of task implementation.
- d. Communication with shareholders and other stakeholders.
- e. Attendance level in the internal and external BOD meetings.
- f. Contribution to the Company's management process.
- g. Involvement in certain tasks.
- h. Commitment to the Company's progress.
- i. Compliance with the laws and regulations and Company's policies.

Reporting and Accountability of Board of Directors

Procedures of BOD reporting and accountability are as follows:

1. BOD prepares and submits an annual report that approved by BOC to the GMS within a period of no later than 6 (six) months after the end of the Company's fiscal year.
2. The annual report is signed by all BOD members who have served in the following fiscal year. The BOD member who does not sign the annual report must disclose the reason in a separate letter attached to the annual report, or he/she shall be deemed to have approved the annual report contents.
3. With the annual report acceptance and endorsement of the financial statements by the GMS, it means that the GMS has given full acquittal and discharge of responsibilities to each BOD member for their duty carried out during the last fiscal year, provided that such activities are reflected in the annual report and financial statements, by not diminishing the responsibility of each BOD member in the event of a criminal offense or error and/or negligence which results in losses for third parties that cannot be settled by Company's assets.
4. BOD accountability to the GMS is the implementation of their responsibility of corporate management in implementing good corporate governance.

Honorarium and Facilities for the Board of Directors

Matters regarding BOD salary/honorarium are as follows:

1. BOD members receive a salary/honorarium and facilities that is proposed or recommended by shareholders or groups of shareholders by considering recommendations from the Remuneration Committee (if any) or BOC.
2. Salary/honorarium and facilities for BOD are approved and determined by the GMS.
3. The salary/honorarium and facilities for BOD are determined based on the generally applicable eligibility for each position of BOD member in accordance with their duties and responsibilities based on their expertises and experiences.
4. The salary/honorarium and facilities for BOD are a compensation package that is consists of salary, allowance, variable portions and other facilities.
5. BOD members who are no longer serve as BOD, due to any reason, are not entitled to receive a salary and other benefits, except the right to get compensation or award service approved by the GMS, in which the payments for the compensation or award service is not greater than the total salary from the remaining years of service.
6. BOD members must report the amount of remuneration received and the basis for calculating the remuneration in the Company's Annual Report.

CHAPTER 5

WORK ETHICS OF THE BOARD OF DIRECTORS

Work ethics are the basic principles of personal and professional behavior expected by BOD. In carrying out its management functions, BOD is guided by the Company's Articles of Association, the Code of Business Ethics and Code of Conduct, the Company's internal policies and the applicable laws and regulations.

In general, BOD work ethics are as follows:

1. The Board of Directors' member carries out the duties, responsibilities, and authorities based on ethical values and good intentions as regulated in the Code of Business Ethics and Code of Conduct.
2. BOD member encourages implementation of good corporate governance.
3. BOD member considers all things objectively, professionally and independently for the Company's interest by considering the stakeholders' interests.
4. BOD member becomes role model for employees in implementing the Code of Business Ethics and Code of Conduct and always comply with the laws and regulations.
5. BOD member is prohibited to:
 - a. Conduct transactions on the Stock Exchange for personal interests directly or indirectly at the Securities Company and/or Custodian Bank.
 - b. Own shares or control directly or indirectly at a Securities Company and/or Custodian Bank.
 - c. Become a controller either directly or indirectly on a listed company.
6. If BOD member has:
 - a. Shares or acts as the controllers, either directly or indirectly of Securities Companies and/or Custodian Banks that are not Issuers or Public Companies, those shares or controls must be transferred to other Parties in no later than 6 (six) months since the ownership, the acknowledgment share ownership or control, or the GMS date that appointed the concerned BOD member.
 - b. Shares of Issuers or Public Companies, then those shares cannot be traded up to 6 (six) months after her/his term of office ends.
7. BOD members are obliged to always prioritize the Company's interests while conducting their duties and responsibilities. They are prohibited from misusing their position for personal interests, either directly or indirectly, which may cause Company's losses.
8. BOD members are obliged to disclose financial and family relationships with other BOD members and BOC members and/or the shareholders.
9. BOD members are obliged to disclose and may not involve themselves in the decision-making process if a conflict of interest occurs.
10. BOD members are prohibited from giving/offering/receiving, either directly or indirectly, any valuable things to other parties to influence or compensation for their actions as stated in the Code of Conduct.
11. BOD member is obliged to maintain the confidentiality of all Company's documents, data and information as stated in the Code of Business Ethics and Code of Conduct.

CHAPTER 6 CLOSING

Validity Period

BOD Charter is established in Jakarta and has been effective since the signature date.

Evaluation and Improvement

BOD Charter is periodically evaluated and revised in order to improve optimalization of BOD function in accordance with good corporate governance and applicable laws.

Transitional Provisions

If there is a difference between the provisions in this charter and the applicable laws and regulations, KSEI Regulation, or approval/instruction of the OJK, then the provision applied are the provisions in the applicable rules and regulations, KSEI Regulations or the approval/instruction of the OJK.

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