

To the Board of Directors/Principal of:

December 23, 2019

1. **The Securities Issuers;**
2. **The Securities Administration Agency;**
3. **The Account Holders.**

CIRCULAR LETTER

NO. SE-0006/DIR-EKS/KSEI/1219

Regarding **The Mechanism of the Securities Distribution Resulting From Corporate Actions of the Securities Issuers**
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In relation to the implementation of the provision of point 3.7 and point 4.5 of Regulation of KSEI regarding Central Custodian Services (Attachment to the Decree of the Board of Directors of PT Kustodian Sentral Efek Indonesia Number KEP-0013/DIR/KSEI/0612 dated June 11th, 2012), KSEI considers it necessary to stipulate the procedure for the allocation or distribution of shares resulting from Corporate Actions of the Securities Issuers, as follows:

1. The Distribution of Preemptive Rights, Shares Resulting from Nominal Split (*Stock Split*), Shares Resulting From Nominal Merger (*Reverse Stock*), Shares Resulting From Merger or Shares Resulting From Business Consolidation

- 1.1. On the Recording Date, at the latest at 18.00 WIB, the Securities Administration Agency or the Securities Issuer will be obliged to provide confirmation over the conformity of the total number of shares issues by the Securities Issuer and recorded in the Collective Custody at KSEI through *e-mail* tk@ksei.co.id.
- 1.2. If up to the deadline stated in point 1.1 above, KSEI still has not yet received confirmation from the Securities Administration Agency or the Securities Issuer, then the Securities Administration Agency or the Securities Issuer will be considered of approving the total number of shares issued by the Securities Issuer and recorded in the Collective Custody at KSEI on the Recording Date aforesaid.
- 1.3. By basing on:
 - a. the announcement from the Securities Issuer regarding the distribution date and the calculation ratio of total number of Preemptive Rights or the shares to be distributed; as well as
 - b. the confirmation from the Securities Issuer or the Securities Administration Agency as referred to in points 1.1. and 1.2.

KSEI will carry out the distribution of Preemptive Rights or the shares on the distribution date stipulated by the Securities Issuer. KSEI will then report the result of the distribution of Preemptive Rights or the shares aforesaid to the Securities Issuer and/or the Securities Administration Agency at the latest 1 (one) Working Day after the distribution date.

2. The Distribution of Bonus Stock, Stock Dividends, or Stock Dividends Supplemented by Cash Dividends

- 2.1. By basing on the announcement from the Securities Issuer, KSEI will carry out the calculation of total number of shares to be distributed in the framework of bonus stock, stock dividends, or stock dividends supplemented by cash dividends, on 1 (one) Working

Day after the Recording Date, and will report the result of such calculation to the Securities Issuer and/or the Securities Administration Agency, at the latest 1 (one) Working Day prior to the distribution date.

- 2.2. Towards the report of KSEI as referred to in point 2.1, the Securities Administration Agency and/or the Securities Issuer will be obliged to provide confirmation to KSEI over the report aforesaid at the latest 1 (one) Working Day prior to the distribution date in accordance with the deadline stipulated in the procedure of KSEI through *e-mail* tk@ksei.co.id.
- 2.3. If up to the deadline in point 2.2., KSEI still has not yet received any confirmation from the Securities Administration Agency or the Securities Issuer, then, the Securities Administration Agency or the Securities Issuer will be considered of approving the result of calculation over the shares to be distributed to each entitled Securities Holder.
- 2.4. Based on the confirmation from the Securities Administration Agency or the Securities Issuer as referred to in points 2.2 and 2.3 above, KSEI will carry out the distribution of bonus stock, stock dividends, or stock dividends supplemented by cash dividends on the distribution date stipulated by the Securities Issuer. KSEI will then report the result of the distribution aforesaid to the Securities Issuer and/or the Securities Administration Agency at the latest 1 (one) Working Day after the distribution date.

3. The Exercise of Preemptive Rights or Warrants

- 3.1. During the exercise period over the Preemptive Rights or Warrants based on the instruction of the Client or based on the prevailing provisions, then, the Account Holder will be obliged to carry out the following actions:

- 3.1.1. On the exercise instruction date, at the latest at 15.30 WIB on Working Day or other time stipulated in the procedure of KSEI, the Account Holder will be obliged to ensure the availability and conformity of the total number of the Preemptive Rights or Warrants as well as their fund with the following provisions:

3.1.1.1. The Preemptive Rights or Warrants must be available in:

- a. The Main Securities Account 001;
- b. The Main Securities Account 009;
- c. The Securities Sub-Account 001;
- d. The Securities Sub-Account 008; or
- e. The Securities Sub-Account 009

under the name of the entitled Securities Holder.

3.1.1.2. The fund must be available in:

- a. *The corporate action account* under the name of the Account Holder;
or

registered at KSEI, at the latest 1 (one) Working Day after the exercise date through the mechanism stipulated by KSEI.

4. The Distribution of Shares Resulting From Other Corporate Actions

The distribution of shares related to corporate actions other than those referred to in points 1, 2, and 3 will follow the procedure and mechanism stipulated in this Circular Letter unless stipulated otherwise by KSEI.

5. This Circular Letter will be effective starting as of December 23rd, 2019.

Thus therefore, we convey the above. Thank you for your attention.

Regards,

PT Kustodian Sentral Efek Indonesia

Uriep Budhi Prasetyo
President Director

Syafruddin
Director

Supranoto Prajogo
Director

Copies sent to:

1. The Chief Executive Officer of Capital Market Supervisor of the Financial Services Authority (OJK);
2. The Deputy Commissioner of the Capital Market Supervisor II of OJK;
3. The Head of Department of the Capital Market Supervisor IIA of OJK;
4. The Director of Securities Institutions Supervisory of OJK;
5. The Director of the Capital Market Arrangement of OJK;
6. The Director of Securities Transaction Supervisory of OJK;
7. The Board of Directors of PT Bursa Efek Indonesia;
8. The Board of Directors of PT Kliring Penjaminan Efek Indonesia;
9. The Association of Indonesia Securities Administration Agencies;
10. The Association of Indonesian Issuers;
11. The Association of Indonesian Securities Companies;
12. The Association of Indonesian Custodian Banks; and
13. The Board of Commissioners of KSEI.