

Press Release

KSEI Launches e-Proxy:

A Platform to Electronically Authorize Representatives for General Meetings of Shareholders

Jakarta, May 14, 2020 - The Indonesia Central Securities Depository (KSEI) has accelerated the implementation of its electronic proxy (e-Proxy) platform, eASY.KSEI, to support the Government's Covid-19 Pandemic Large Scale Social Distancing policy. The Platform, which was launched on April 20, 2020, provides a system for Shareholders to electronically authorize representatives to attend General Meetings of Shareholders (GMS). The eASY.KSEI platform itself was first used by an Issuer on May 14, 2020, as an electronic alternative method for Shareholders' to authorize representatives to attend General Meetings of Shareholders on their behalf. As of today (5/18), the eASY.KSEI platform has been successfully utilized by 13 Issuers in 13 General Meetings of Shareholders and 14 Extraordinary General Meeting of Shareholders.

As a show of support for eASY.KSEI's implementation, the Financial Services Authority (OJK) has issued the Financial Services Authority Regulation (POJK) Number 15/POJK.04/2020 on Planning and Holding of General Meeting of Shareholders by Public Limited Liability Companies and POJK Number 16/POJK.04/2020 on the Holding of Electronic General Meeting of Shareholders by Public Limited Liability Companies. Through OJK Board of Commissioners' Decree Number KEP-26/D.04/2020 on Electronic General Meeting of Shareholders (e-GMS) System Implementation, the OJK has also declared that KSEI, as an OJK appointed Depository and Settlement Institution, will be one of the providers of the e-GMS System.

With this Platform, Shareholders can authorize several parties to represent them during General Meetings of Shareholders. These parties can include: independent authorized agents such as Registrars or other parties provided by Issuers; authorized Participants such as Securities Companies or Custodian Banks which administrate the Shareholders' Securities Account; or individual authorized agents or parties personally appointed by the Shareholder.

The eASY.KSEI platform can be accessed by Shareholders and Individual Representatives by logging in to the KSEI AKSes website (<https://akses.ksei.co.id>). By logging into KSEI's AKSes website, Shareholders can also access eASY.KSEI from the available menu, without any need to re-login to eASY.KSEI. Currently, the eASY.KSEI feature is specifically targeted for domestic individual investors.

Other eASY.KSEI users include Issuers, Registrars, Securities Companies, and Custodian Banks. These users utilize eASY.KSEI to interact with each other within a single integrated platform for GMS activities such as Meeting announcements and invitations by Issuers; granting of authority directly by Shareholders or through Securities Companies and Custodian Banks; pre-GMS registration by Issuers with the help of Registrars; vote counting; and reporting of GMS minutes to be uploaded by the Issuer.

KSEI conducted various activities to prepare for this implementation, including a final testing to ensure that all eASY.KSEI functions are running well; providing familiarization on the platform's usage to the staff of Issuers, Registrars, Securities Companies, and Custodian Banks; finalizing the addendum to agreements between KSEI and Issuers; and distributing User IDs and passwords for eASY.KSEI users.

KSEI President Director Uriep Budhi Prasetyo stated “KSEI hopes that the implementation of eASY.KSEI can increase participation in General Meetings of Shareholders, especially since Indonesia is an archipelagic country where investors’ domiciles are spread across several regions, both domestic and abroad. Based on our data, as of May 11, 2020, around 50% of investors own Shares from more than one company. This opens the possibility of investors being required to attend different General Meetings of Shareholders in different locations at the same time. Especially with more than 600 Issuers registered at the Stock Exchange.”

Uriep added that, as of May 12, 2020, KSEI’s data showed that there are 1,185,733 Shareholder Investors in Indonesia and the number will continue to grow in the future.

The implementation of eASY.KSEI is a realization of KSEI’s support towards the development of Indonesia’s Capital Market, especially with the increased need for digital platforms and video conferencing due to Work From Home policies and Indonesia’s Large Scale Social Distancing (PSBB) in response to the Covid-19 emergency. Uriep expressed his wish that eASY.KSEI’s implementation can become a solution for investors who are required to attend several General Meetings of Shareholders at the same time. He also hoped that eASY.KSEI would make it easier for investors to participate in the Meetings.

In its development of the eASY.KSEI platform, KSEI has collaborated with Turkey’s central custodian institution, the *Merkezi Kayit Kurulusu* (MKK). This cooperation started in 2017 with the signing of a Memorandum of Understanding (MoU) between the two parties.

MKK’s CEO and Board Member, Ekrem Arıkan, stated “As one of the systems that have been developed at the MKK’s Research and Development Center, the Electronic General Meeting System (e-GEM) has been utilized in the Turkey Capital Market since 2012. This system has been used in more than 3,000 electronic meetings, which were participated by more than 130,000 Shareholders, in Turkey. The e-GEM has also been used as pilot projects in several countries and is among one of the most advanced applications in the world. Due to the hard work and dedication of MKK and KSEI’s teams, I am happy to see that the eASY.KSEI has been officially launched for the Indonesian Capital Market.”

The eASY.KSEI provides various features to support the holding of General Meetings of Shareholders and we hope that this system can greatly contribute to the development of good corporate governance in Indonesia. Through this initiative, KSEI has also realized MKK’s efforts to position its country as a provider of attractive investment environment and to boost cross-border investment opportunities.

Technically, the eASY.KSEI platform is used in 4 (four) phases: GMS Announcement, GMS Invitation, GMS Holding, and GMS Reporting. During the GMS Announcement phase, Issuers can input data on the event, GMS agenda information, and other supporting documents. During the date of announcement, Issuers can send the announcement automatically via email to a GMS Information Recipient Register list prepared by the Issuer and KSEI. Issuers can also appoint parties that will be granted authorization as an independent representative.

In the GMS Invitation phase, Issuers can send invitations through the platform and are required to upload the meeting’s agenda in 2 (two) languages: Bahasa Indonesia and English. An

automatic email can be resent to the Shareholders in the Shareholder Register whose emails are included in the GMS Information Recipient Register.

During this invitation phase, Shareholders can grant authority and the use of their vote to other parties such as: individual representatives who are required to log into KSEI's AKSes website, Securities Companies and Custodian Banks as KSEI Participants, or to independent representatives appointed by the Issuer. Granting of authority to KSEI participants can be done through the platform or through direct notification to the KSEI participants, outside of the platform. The granting of authorities will be updated by KSEI participants through the eASY.KSEI platform. If the authorized KSEI participant is unable to attend, then the KSEI participant can grant a substitute authorization to an independent representative through the platform.

Registration for physical attendance in a GMS can also be done through eASY.KSEI prior to the Meeting. Based on this attendance data, Issuers, with the help of Registrars, can determine the quorum count for the GMS's attendance. During the GMS, Issuers can also update all of the Meeting's activities through eASY.KSEI for OJK monitoring. Voting on the Meeting's agendas can also be done through eASY.KSEI.

The current e-Proxy implementation is just an initial phase in the eASY.KSEI's overall development. For the next phases, KSEI will also include an e-Voting facility with live-streaming capabilities. This will allow Shareholders to directly interact and vote electronically. Hopefully in the future, the e-Voting facility will be integrated in the holding of e-GMSs, in compliance with existing POJK regulations.

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