

MINSITRY OF FINANCE OF REPUBLIC OF INDONESIA
CAPITAL MARKET SUPERVISORY AGENCY

DUPLICATE OF
DECISION OF CHAIRMAN OF CAPITAL MARKET SUPERVISORY AGENCY
NUMBER: KEP-45/PM/2000

CONCERNING

AMENDMENT OF RULE NUMBER IX.A.7 CONCERNING RESPONSIBILITIES OF
ALLOTMENT MANAGER WITH RESPECT TO SUBSCRIPTIONS AND
ALLOTMENTS OF SECURITIES IN PUBLIC OFFERING

CHAIRMAN OF CAPITAL MARKET SUPERVISORY AGENCY,

Considering : that in order to enhance the efficiency and effectiveness of Allotment Manager duty and to provide broad opportunity for investors to invest their funds in public offering, it is deemed necessary to amend the Decision of Bapepam Chairman Number Kep-48/PM/1996 concerning Responsibilities of Allotment Manager with Respect to Subscriptions and Allotments of Securities in Public Offering by the enactment of this rule;

In view of : 1. Law Number 8 of 1995 Concerning Capital Market (Statute Book Year 1995 Number 64, Supplement to the Statute Book Number 3608);

2. Government Regulation Number 45 of 1995 Concerning Capital Market Organization (Statute Book Year 1995 Number 86, Supplement to Statute Book Number 3617);

3. Government Regulation Number 46 of 1995 Concerning Capital Market Formal Investigative Procedures (Statute Book Year 1995 Number 87, Supplement to Statute Book Number 3618);

4. President of Indonesia Decree Number 7/M Year 2000;

HAS DECIDED:

To issue : **DECISION OF CHAIRMAN OF CAPITAL MARKET SUPERVISORY AGENCY CONCERNING RESPONSIBILITIES OF ALLOTMENT MANAGER WITH RESPECT TO SUBSCRIPTIONS AND ALLOTMENTS OF SECURITIES IN PUBLIC OFFERING**

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CAPITAL MARKET SUPERVISORY AGENCY

Provision concerning Responsibilities of Allotment Manager with Respect to Subscriptions and Allotments of Securities in Public Offering are regulated in Rule Number IX.A.7 as stipulated in the attachment of this Decision.

Article 2

With the enactment of this Decision, the Decision of Chairman of Bapepam Number: Kep-48/PM/1996 dated 17 January 1996, is declared revoked.

Article 3

This Decision shall become effective since the date of its promulgation

Enacted in : Jakarta
Date : 27 October 2000

Chairman Of Capital Market Supervisory Agency

Signed

Herwidayatmo
NIP. 060065750

ATTACHMENT :

Decision of the Chairman of BAPEPAM

Number : Kep-45/PM/2000

Date : October 27, 2000

Substitute Prior Decision

Number : Kep-48/PM/1996

Date : January 17, 1996

Substitute Prior Decision

Number : Kep-36/PM/1993

Date : November 3, 1993

RULE NUMBER IX.A.7 : RESPONSIBILITIES OF ALLOTMENT MANAGER WITH RESPECT TO SUBSCRIPTIONS AND ALLOTMENTS OF SECURITIES IN PUBLIC OFFERING

1. Public Offering

A Public Offering may be either a General Public Offering or a Limited Public Offering. A Public Offering may also be a combination of a General Public Offering and a Limited Public Offering.

2. Allotment Manager

A Public Offering must have only one Allotment Manager. An Allotment Manager is a Managing Underwriter that is responsible for the allotment of securities in a Public Offering, or an Issuer in the event that an underwriter is not employed.

3. Allotment Report

The Allotment Manager of a Public Offering must complete and submit Form IX.A.7-1, attachment 1 of this rule (Report by Allotment Manager on the Distribution of Securities in a Public Offering), to Bapepam in 4 (four) copies not more than 5 (five) workdays from the allotment date.

4. Subscription Form

Subscription Forms for a Public Offering must include a signed statement from applicant regarding:

- a. whether the applicant is an Indonesian or foreign Party;
- b. whether the applicant has received or has had the opportunity to read a Prospectus;
- c. whether the applicant is a director, commissioner, employee or Party that owns 20% (twenty percent) or more of the shares of a Securities Company that is acting as an Underwriter or Selling Agent for the Public Offering, or any Party affiliated with the Issuer or any other Party in connection with Public Offering;
- d. whether the applicant has an understanding with any other Party to purchase Shares in the Public Offering in any way, directly or indirectly, that results in some other Party becoming a Beneficial Owner;
- e. whether the applicant has a contract with a Securities Company as required in item 5 of Rule Number V.D.3 and whether that Securities Company is acting as a Selling Agent with regards to the application in question; and
- f. whether the applicant is an employee, but not including commissioners, directors, and substantial shareholders, of the Issuer.

5. The use of information with respect to Securities subscription

- a. The Allotment Manager may use the statement from the applicants as a basis for making the allotment unless he has information to the contrary.
- b. In the event that there is an over-subscription, the Allotment Manager must reject subscription by any Party who respond affirmatively to item 4 letter d of this rule, or negatively to item 4 letter e of this rule.

6. Delivery of Securities and Subscription Refunds

- a. The proof of Securities ownership in a form of Share Certificate as a result of a subscription must be established on behalf of the subscriber;
 - b. In the event that Issuer does not issue Share Certificate, the shares must be electronically administrated in a Central Custodian.
 - c. Underwriters must have a provision regarding the payment of compensation for subscription refunds that are not made within 2 (two) workdays after the allotment. The Issuer and Underwriter must disclose clearly the following provisions in the Prospectus, Summary Prospectus, and or other publications:
 - 1) the interest rate, as a percentage or other measurement, that will be used to calculate the compensation for any delayed payment;
 - 2) the procedures that will be used for subscription refund and any additional compensation shall include :
 - a) whether the payment is to be made by cash, check or other specified instrument
 - b) if the payment is made by check, it must be made to the Party that submits (signs) the subscription form; and
 - 3) payment method : the refund is delivered by the Underwriter, taken directly by the investor, transferred to the investor's account, or by other manners.
 - d. Delivery of proof of securities as referred to in item 6 letter a and item 6 letter b of this rule is considered to be appropriate if the securities have been delivered to the subscriber or transferred to the subscriber's account.
 - e. The subscription refund as referred to in item 6 letter c of this rule are considered to be appropriate if the fund has been delivered to the subscriber or transferred to the subscriber's account.
7. The number of orders per Party
- a. All Parties are prohibited from directly or indirectly submitting more than one Securities application for each Public Offering.
 - b. If it is found that a Party submit more than 1 (one) application, directly or indirectly, the Underwriter must reject the application.
 - c. In the event that the term of subscription require a cash deposit by applicants of certain category, this requirement may not be waived, reduced, or modified for any applicant in that category, and all such funds must be deposited under the same terms and condition in a single bank account under the control of the Allotment Manager and be subject to audit in accordance with item 14 of this rule.
8. Fixed Allotment
- If the allotment if a Public Offering is implemented using a fixed allotment system, the allotment may be implemented by fulfilling the following requirements:
- a. The Allotment Manager may decide the percentage number of and which Party would get the fixed allotment in the Public Offering.
 - b. If the Public Offering is over subscribed, the Underwriter, Selling Agent, or Affiliated Party are prohibited from buying or holding Securities for their own accounts; and
 - c. If the Public Offering is under subscribed, the Underwriter, Selling Agent, or Affiliated Party are prohibited from selling Securities which has been bought or will be bought due to Securities Underwriting contract, except if the sales will be made through the Exchange and it has been disclosed in the Prospectus that the Securities are to be listed on the Exchange.
9. In order to assure a wide distribution of shares, the Underwriter must utilize enough Selling Agents to avoid the difficulties caused by long lines of prospective investors.
10. In order that payment from executing an allocation do not harm investors because of changes in exchange rates, the Underwriter may open accounts in foreign currency (US dollars) and Rupiah at a bank that is domiciled or located in Indonesia.

11. Centralized Allotment

If Public Offering is over subscribed, the Allotment Manager is responsible for administering the Allotment procedure for the remaining Securities as follow:

- a. if after excluding the affiliated subscribers referred to in item 4 letter c of this rule, there are Securities remaining in an amount that is the same or more than the amount subscribed, the subscribers who were not excluded shall receive the number of securities subscribed;
- b. if after excluding the affiliated subscribers referred to in item 4 letter c of this rule, there are Securities remaining in an amount that is less than the amount subscribed, the allotment for the subscribers who were not excluded shall meet the following procedures ;
 - 1) If the Securities are not to be listed on the Exchange, they will be allocated pro-rata, with no applicant receiving a fractional interest in a Securities;
 - 2) If the Securities are to be listed on the Exchange, they will be allocated as follow:
 - a) applicants who are employees of the Issuer may be given a priority up to 10% of the Public Offering;
 - b) applicants who are not excluded from the provision in item 4 letter c of this rule will receive one round lot, if there are sufficient securities available. If the available lots are not adequate, they will be distributed on a lottery basis. The number of Securities included in the round lot is the largest round lot established by an Exchange on which the Securities are to be listed; and
 - c) remaining Securities, if any, are to be allocated pro rata, in round lots, according to the number applied for applicants.

12. Allotment to Affiliated Party

If the subscribers referred to in item 11 of this rule have received full allotment and there are remaining Securities, those Securities will be distributed proportionally to the Affiliated Parties referred to in item 4 letter c of this rule.

13. Allotment in a Public Offering to a Specified groups of Parties

In Public Offering to a specified group of Parties, the Issuer must disclose the requirements that must be fulfilled by subscribers and describe the allotment procedures in the Prospectus, these procedures may be the same as mentioned above. If other procedure is used, that procedure must be disclosed in Prospectus.

14. Special Audit

The Allotment Manager must appoint an accountant that is registered with Bapepam to conduct special audit. The Allotment Manager must submit the accountant audit report regarding the fairness of the allotment including the availability of fund as a result of Public Offering to Bapepam within 30 (thirty) days following the allotment date. The Allotment Manager must retain all documents related to the allotment process for at least for 5 (five) years.

15. Sales through Selling Agents

The Allotment Manager must receive subscriptions either in original form or copies of that form, through Securities Companies, which are members of the underwriting syndicate, and or Selling Agents. The Allotment Managers must ensure that all Selling Agents listed in the Prospectus have an equal opportunity to obtain subscription forms and other supporting documents.

16. Information Disclosure of Allotment Method

The Allotment Manager must disclose information regarding allotment method, percentage range and prediction of certain Parties who would get allotment in the Public Offering, on the Prospectus and Summary Prospectus, including Preliminary Prospectus (if any).

17. Other allotment method

Underwriter may use other allotment methods for Public Offerings as long as:

- a. the procedure is recommended by the Indonesian Securities Company Association and approved by Bapepam

- b. the procedure is fully disclosed in the Prospectus; and
 - c. the procedure is accordance with this rule, except for item 8, item 11, and item 12 of this rule.
18. By no means undermining criminal stipulation in capital market, Bapepam may impose sanctions on any violations of this rule, as well as on any Person that causes the violation to occur.

Signed in Jakarta
On October 27, 2000
Chairman of Indonesian Capital Market
Supervisory Agency

Herwidayatmo
NIP 060065750

Copied as appears on the original version
Executive Secretary

Pande Putu Raka
NIP 060034443