

ATTACHMENT TO:

Decision of the Indonesian Capital Market Arbitration Board

Number: Kep-03/BAPMI/11.2002

Date : November 19, 2002

BAPMI'S RULES ON BAPMI'S ARBITRATORS

**CHAPTER I
GENERAL PROVISION**

Article 1

Definition:

- (1) Any words and/or terms as referred to in Article 1 paragraph (2) of BAPMI Rules and Procedures and such other BAPMI Rules are also applicable under these Rules.
- (2) In these Rules, the terms specified hereunder shall have the following meaning:
 - a. **Member** means any BAPMI Members as referred to in Article 8 of the Articles of Association of Indonesian Capital Market Arbitration Board.
 - b. **Ad Hoc Arbitrator** means any individual, who is not listed in List of BAPMI Arbitrators, appointed as member of Arbitration Tribunal by BAPMI or by the disputing Parties subject to the approval of BAPMI.
 - c. **Mediator** means any individual so appointed by the Parties or by BAPMI who will facilitate the disputing Parties to reach an agreement or resolution on such dispute or controversy through Alternative Dispute Settlement.
 - d. **Management** means BAPMI Management as referred to in Chapter VI of the Articles of Association of Indonesian Capital Market Arbitration Board.

Article 2

These Rules set out the criteria, requirements, and procedures of Arbitrator registration to the List of BAPMI Arbitrators as referred to in Article 24 paragraph (1) of Rules and Procedures (Attachment to Decision of the Indonesian Capital Market Arbitration Board Number: Ke-01/BAPMI/10.2002 dated 28 October 2002 and any Amendments thereto).

**CHAPTER II
REQUIREMENTS**

Article 3

- (1) An individual person will be eligible as an Arbitrator, if he/she meets the following requirements:
 - a) Indonesian Citizen;
 - b) competent in performing legal actions;
 - c) minimum 35 years old;
 - d) having hands-on experience and proficient in his/her field for at least 15 years;

- e) never been convicted for committing any crimes or criminal offenses by a final and binding court verdict;
 - f) not being declared bankrupt under a final and binding court order;
 - g) not being banned/disapproved person to be an Arbitrator by the prevailing laws and regulations;
 - h) registered as member of associations, clubs, assemblies, and/or other forms of organizations that are BAPMI members;
 - i) holding a minimum of bachelor degree or equivalent;
 - j) holding individual licenses in capital market profession issued by Capital Market Supervisory Agency (BAPEPAM) or registered as capital market supporting profession at BAPEPAM;
 - k) not listed in List of Disapproved Persons and/or lists of individuals issued by BAPEPAM banned from performing specific acts or actions in capital market and/or never been convicted for any crimes or criminal offenses related to economics and/or finance;
 - l) understanding and familiar with the laws and regulations on capital market, Arbitration, and Alternative Dispute Resolution in Indonesia;
 - m) understanding and familiar with BAPMI Rules and Procedures;
 - n) not serving as an officer of capital market supervisory, director of stock exchange, clearing and guarantee corporation, or central depository organization; and
 - o) not serving as active officer of judicial bodies, public prosecutor, or police officer.
- (2) Any BAPMI Arbitrator Nominees who are in capital market professions or capital market supporting professions as referred to in paragraph (1) letter j above must hold such license or have been registered and conducting their professional practices at least for 5 (five) consecutive years.

Article 4

- (1) Any BAPMI Arbitrator Nominees who are not Indonesian Citizen may be elected as an Ad Hoc Arbitrator in BAPMI Arbitration Examination provided that, however, they shall meet the following requirements:
- a. having adequate experience and/or sound knowledge in the issue being disputed and in international capital market industry;
 - b. been an arbitrator or registered in list of arbitrators in one of international arbitration body (-ies) or arbitration body (-ies) in the country of origin;
 - c. understanding and familiar with Indonesian legal system, particularly with respect to Indonesian capital market laws and regulations and Indonesian Arbitration;
 - d. not having any affiliation relationship with one of the parties involved in the dispute or controversy as referred to in Capital Market Law or any Amendment thereto nor having conflict of interest with respect to the disputed issues by

submitting a statement letter certifying that the individual person concerned has no conflict of interest; and

- e. obtaining an approval from BAPMI Management.
- (2) Exception may only be made to the requirements as referred to in paragraph (1) letters a and b above by the approval of BAPMI Management.
- (3) BAPMI Management will consider any application submitted by BAPMI Arbitrator Nominee as referred to hereinabove, by taking account of the integrity and the expertise of the BAPMI Arbitrator Nominee concerned.

Article 5

- (1) Any individual person in the List of BAPMI Arbitrators may be elected as a Mediator in the settlement of disputes or controversies through BAPMI Alternative Dispute Resolutions as well as an Arbitrator in dispute resolution through Arbitration.
- (2) At its own discretion, BAPMI may appoint any individual not listed in the List of BAPMI Arbitrators to act as an Arbitrator or Mediator during the process of resolution of dispute or controversy through BAPMI.

Article 6

- (1) Any Arbitrator or Mediator so appointed to handle and/or resolve a dispute or controversy in an Arbitration or Alternative Dispute Resolution is obliged to uphold and maintain confidentiality principle with respect to the relevant dispute or controversy issues.
- (2) Any Arbitrator or Mediator is obliged to perform his/her duties and tasks professionally by fully maintaining his/her independence and integrity.
- (3) Any Arbitrator or Mediator must resign if he/she:
 - a. has any affiliation relationship with one of the parties involved in the dispute or controversy as referred to in Capital Market Law (UUPM);
 - b. has conflict of interest with the issues being disputed.

CHAPTER III PROCEDURES

Article 7

In order to be registered in List of BAPMI Arbitrators, any individual person fulfilling all the requirements as referred to in Article 3 and Article 4 hereinabove:

- (1) shall sign a statement letter certifying that he/she wishes and is willing to serve as a BAPMI Arbitrator in the form and content as referred to in Form 2 of the Annex to these Rules;
- (2) shall sign a statement of disclosure in the form and content as referred to in Form 3 of the Annex to these Rules;
- (3) nomination may be submitted by one of BAPMI members or at the Management's request, or his/her self by submitting an Application in the form and content as referred to in Form 1.a or 1.b or 1.c of the Annex to these Rules;
- (4) shall obtain approval from BAPMI;
- (5) such nomination is submitted by enclosing:
 - a. complete curriculum vitae of BAPMI Arbitrator nominee;
 - b. copy of diplomas and such other relevant documents;
 - c. copy of capital market profession licenses or capital market supporting profession certificate from Capital Market Supervisory Agency (BAPEPAM).

CHAPTER IV APPOINTMENT AND TERMINATION OF BAPMI ARBITRATOR

Article 8

Arbitrator Nominees fulfilling the requirements as set out in these Rules may be appointed BAPMI Arbitrator by registering his/her name in the List of BAPMI Arbitrators.

Article 9

- (1) BAPMI Management has the authority to terminate or nullify any Arbitrator registration in the List of BAPMI Arbitrators with due observance of the provisions of Article 10 of these Rules.
- (2) Any termination or nullification of registration as BAPMI Arbitrator will be notified to BAPMI Members.

Article 10

Termination or nullification of registration as BAPMI Arbitrator may be sanctioned in case that:

- (1) the individual person concerned is proved to have committed a criminal offense by a final and permanent court verdict;
- (2) listed in List of Disapproved Persons and/or list of individuals issued by BAPEPAM and banned from performing specific acts or actions in capital market and/or being convicted for any criminal offenses related to economics and/or finance;

- (3) such termination or nullification is sanctioned at the recommendation of Honorary Council for some specific reasons.
- (4) the individual person passes away.
- (5) the individual person is no longer qualified for an BAPMI Arbitrator as set out in Article 3 of these Rules.

Article 11

Any BAPMI Arbitrator disqualified or eliminated from the List of BAPMI Arbitrators will no longer be allowed to handle nor resolve any dispute or controversy as BAPMI Mediator and Arbitrator.

INDONESIAN CAPITAL MARKET ARBITRATION BOARD

A. Zen Umar Purba
Chairman

Felix O. Soebagjo
Secretary General