

**ASSET LIABILITY COMMITTEE CHARTER
OF
PT INDONESIA INFRASTRUCTURE FINANCE**

1. Introduction

PT Indonesia Infrastructure Finance ("IIF" or the "Company") has been established as an Indonesian non-bank financial institution, which will function based on the principles that govern any modern international institution operating in Indonesia.

In order to actively monitor the risk and management of funds and other resources as stipulated in the IIF Operation Manual, it is required to establish the Asset Liabilities Committee (ALCO).

2. Responsibilities

The responsibilities of the ALCO under the risk management design framework are provided below:

- a. Formulate the strategy and action plan in respect of market and liquidity risk.
- b. Provide recommendation on changes of policy, if required, and suggesting these to the Boards of Commissioners for approval.
- c. Ensure that the management of assets and liabilities are executed in accordance with the Company's policies.
- d. Manage IIF's liquidity, set interest rates, set, determine and monitor application of the policies for mismatch and net open position, as well as manage and determine the financial and capital balance structures.
- e. Manage investment of surplus funds.
- f. Manage the market risk carried in the trading book.
- g. Design and revise limit structures of treasury activities in line with IIF's risk appetite in coordination with the Risk Management Committee of the BoD (or if such limit shall be approved by the BoC, then to provide recommendation and justification for further approval of the BoC), and monitor the compliance with the limit structure
- h. Approve use of methodology for management of market risk, liquidity risk; and establish the framework for periodic validations of market and liquidity risk model
- i. Define (or estimate) the market and liquidity risk inherent in all activities of the Company and provide strategic inputs to the Board of Commissioners in coordination with the Risk Management Committee of the BoD
- j. Review the cash forecast and determine investible surplus, if any

3. Structure and qualification

3.1. Composition

The ALCO will be comprised of the following permanent members:

- a. President Director – Chairman;
- b. Director of Finance (Convenor);
- c. Director of Risk;
- d. Director of Investment for International Clients;
- e. Director of Investment for Domestic Clients
- f. Permanent member(s) (with voting rights): other member(s) from outside of the Board of Directors as the Board of Commissioners may deem fit.

All members mentioned in point a to f above have voting rights (Voting Members).

- g. Non permanent member(s) (without any voting rights): other member(s) from outside of the Board of Directors as the Board of Commissioners may deem fit.

Considering the scope of responsibilities of ALCO, it is determined that the other members under this category shall at minimum comprise of:

- (i) Risk Senior Manager
- (ii) Finance Controller and/or Treasury Manager
- (iii) Market Risk Manager

The above other members must have adequate expertise, background knowledge and experience.

3.2. Appointment

The ALCO members are appointed by the Chairman.

3.3. Membership Period

The period of the members of the ALCO will be the same period as the term of office of the respective members. For other members, the period will be determined by the Chairman.

4. Meeting

4.1. Frequency

The ALCO must meet regularly at least once a month, and more frequently if required to review the Company's investment portfolio and the risk management procedures. The Convener will appoint Finance Controller and Market Risk Manager to maintain the minutes of meeting. The ALCO will review the progress of any observations and recommendations made by it in prior meetings. Any deviation or delay in implementing recommendations will be discussed on a priority basis and appropriate action will be recommended.

4.2. Meeting procedures, quorum and required votes

- a. A quorum of two (2) members (presence of President Director is mandatory) is required to convene an ALCO meeting.
- b. The agenda for each ALCO meeting is decided by the Chairman and/or Convener
- c. An ALCO member may be represented in a Committee meeting by another member of the Committee who is a Director of the Company by virtue of a written delegation of authority and/or power of attorney.
- d. At the time of appointment of each of the Committee members, the Chairman will determine whether the relevant Committee member will have a voting right.
- e. Committee members who do not have voting rights may only vote in Committee meetings if they are given written delegation of authority and/or written powers of attorney by Committee members with voting rights (Voting Members) to attend the Committee meeting on the relevant Voting Member. This provision also applies to representatives of Voting Members who attend Committee meetings by virtue of written delegation of authority and /or powers of attorneys by Voting Members.

- f. Any decision to be adopted in the meetings to the extent possible must be made by unanimous consent. In case unanimous consent cannot be reached, any decisions to be adopted at a Committee meeting must be approved by at least 2/3 of the Voting Members present or represented at the meeting, of which such 2/3 of the Voting composition must include approval from the Chairman and the Director of Finance.
- g. The Committee meeting may also be held through teleconference, video conference or other electronic media facilities which enable all participants of the meeting to directly see and/or hear each other and participate in the meeting.
- h. Minutes of such meeting must be prepared in writing and delivered to all Committee members who participated in the meeting to be approved and signed. Such minutes must be sent to all members present in the ALCO meeting within 7 days after such meeting. Minutes of ALCO Meeting shall be approved unanimously by all Committee members at the subsequent Committee meeting, or earlier by way of circulation if so required. Any dissenting opinions in the meeting must be written clearly in the minutes of meeting together with the reason of the dissenting opinions.

4.3. Notice

A prior written notice for the Committee meeting must be sent by the Chairman or its representative to each of the Committee members by registered letter or electronic communication such as email no later than three (3) working days before the date of the Committee meeting excluding the date of the notice and the date of the Committee meeting and such notice must clearly state the time, date, place and agenda of the meeting.

A notice to a Committee meeting is not required if all Committee members are present or represented in a Committee meeting and the Committee may be convened and shall be able to make decisions.

4.4. Secretary

Finance Controller and/or Market Risk Manager shall attend all ALCO meetings to take turns in preparing the minutes of meeting.

5. Reporting

- a. The Committee must prepare a report, which provides an explanation on the responsibilities that the Committee members have carried out during the relevant financial year.
- b. Once a year the Committee must make self-assessment upon the effectiveness of ALCO activities and provide a report to the BoD and provide a copy of such report to the BOC.
- c. The Committee reports must be signed by the Chairman.

6. Confidentiality

Each ALCO member and the attendees (if any) must keep confidentiality and may not disclose any documents, data and information relating to IIF and IIF's investments or any other related matters discussed in the Committee meetings.

7. Others

- a. The Committee must, from time to time, review and make any amendments that may be required to its Charter. Any amendments to the Committee Charters must be approved by the BoD.
- b. To maintain and improve the Committee's quality, the Committee may arrange for any orientation, development, training or continuing education programs for the Committee members.
- c. The Committee may engage independent counsels and other professional advisers at the expense of IIF, and to invite such independent counsels and other professional advisers to attend meetings as long as they maintain independence in accordance to the provision under section 6 above.

Jakarta, 19 December 2013

PT INDONESIA INFRASTRUCTURE FINANCE

Name : Kartika Wirjoatmodjo
Title : President Director