

**INVESTMENT COMMITTEE OF THE BOARD OF DIRECTORS CHARTER
OF
PT INDONESIA INFRASTRUCTURE FINANCE**

1. Introduction

PT Indonesia Infrastructure Finance (IIF) 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 carry out the supervisory function over IIF's main business in providing financing to sound infrastructure projects as stipulated in the Articles of Association of IIF, the IIF Corporate Governance Guidelines (August 2010), and the IIF Operation Manual, the Board of Directors of IIF (BOD) must form an Investment Committee of the BOD (Committee).

The terms of reference of the Committee are covered in this Investment Committee of the BOD Charter (Charter), which was developed to review and subsequently provide clearance, recommendations or approvals (as applicable) for investment decisions and strategies.

2. Roles and Responsibilities

The Committee is formed by the BOD to support its managerial function, in particular to review, consider and make decisions on all investment proposals for IIF.

3. Authority

To carry out its responsibilities, the Committee is authorized to:

1. approve Project Information Document (PID). For the first 10 projects to be financed by IIF and/or projects which exposure limit¹ requires them to be approved by the Board of Commissioners Investment Committee of IIF (BoC-IC), the approved PID will be sent to the BoC-IC together with the Minutes of Committee Meeting within 7 (seven) business days thereafter. PID is deemed to also be approved by the BoC-IC if there is no objection from any member of the BoC-IC within 7 (seven) days after submission. After the first 10 projects and the projects' exposure limit is within the authority limit of the Committee, the approved PID and the Minutes of Committee Meeting shall be made available to the BoC-IC upon request;
2. for the first 10 projects to be financed by IIF; review, and subsequently clear and recommend Projects Appraisal Memorandum (PAM) and/or any other relevant documents (except PID) for further review and approval from the BoC-IC;
3. for projects after the first 10 projects, review, and subsequently clear, recommend or approve (as applicable) credits (in the form of PID and/or PAM and/or any other modifications and/or relevant documents) unless the exposure limit of such projects requires them to be approved by the BoC-IC;
4. for the first 10 projects to be financed by IIF and/or projects which exposure limit requires them to be approved by the BoC-IC; recommend approval to the BoC-IC of any major modifications (as referred to in Annex 1 of this Charter) to an investment already approved by the BoC-IC;
5. provide information, assistance and/or clarifications to the BoC-IC for the purpose of BoC-IC's review of the first 10 projects;

¹ Exposure limit to the Committee shall be discussed, decided and approved by the BoC-IC at a later date on or before the approval for the first 10 projects are obtained.

6. coordinate with the Asset Liabilities Committee of the BOD (ALCO) to ensure funding adequacy for the proposed credits/investments and that such funding be in accordance with certain amounts of credit set by ALCO;
7. review and adjust credit and investment policies of IIF from time to time as deemed necessary by the Committee;
8. review and monitor the implementations of all equity investments and all loans at least annually, and increase the frequency of the review if it is deemed necessary and provide reports on the review and monitoring to BoC-IC.

4. Structure and qualification

4.1. Composition

Pursuant to the IIF Corporate Governance Guidelines (August 2010), the Committee shall consist of one Chairman and four (4) members. The composition shall be as follows:

- President Director – Chairman;
- Director of Investment for International Clients;
- Director of Investment for Domestic Clients;
- Director of Risk;
- Director of Finance; and
- other members from outside the BOD as the BOD seems fit.

Other members of the Committee who are not members of the BOD must have adequate expertise, background knowledge, and experience.

4.2. Appointment

The Committee members are appointed by the Chairman.

4.3. Membership Period

The period of the members of the Committee will be the same period as the term of office of the BOD.

5. Meeting

5.1. Frequency

The Committee must meet regularly at least once every quarter. Ad-hoc meetings may be convened for discussion/disposal of urgent proposals that require approval from the Committee or as the Chairman deems fit.

5.2. Meeting procedures, quorum and required votes

- a. A Committee meeting must be attended by a minimum of three (3) members and that the Chairman, a Director of Investment (either International or Domestic) and Director of Risk must always be present during all Committee meetings.
- b. The agenda for each Committee meeting is decided by the Chairman.
- c. A Committee 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 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 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 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 Risk.
- 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. In the event a Committee meeting is done by way of teleconference, video conference or any other electronic media facilities, 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. Decisions made by the Committee, which are adopted in the above manner shall have the same effect as decisions validly adopted in a physical Committee meeting.

5.3. Administration matters

- a. Staffs of the Investment Department appointed by a Director of Investment will assist the Committee by assuming the following role:
 - preparing and circulating the agenda for the Committee meeting;
 - circulating details of the projects to the Committee;
 - preparing minutes of the meeting; and
 - circulating the minutes of the meeting to Committee members and meeting attendees (if any).
- b. Minutes of a Committee meeting must 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.

5.4. 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.

5.5. Agenda

The Committee meeting agenda must be clearly defined and be distributed to the Committee members together with the aforementioned notice prior to the Committee meeting.

5.6. Attendees

Subject to the provision under Section 3.2 above, the Committee may request the Investment Committee of the Board of Commissioners, internal auditor, independent auditor, Directors, executives, and employees as well as other third parties to attend the Committee meeting if so required.

Attendees to the Committee meetings will be present for the purpose of providing required information, insights or advices. No attendees shall have any voting rights to the Committee's decisions.

5.7. Secretary

A representative from the Investment Department shall attend all meetings of the Committee to take the minutes of meeting.

6. 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 Committee activities and provide a report to the BOD and provide a copy of such report to the BoC-IC.
- c. The Committee reports must be signed by the Chairman.

7. Confidentiality

Each Committee member and the attendees (if any) must keep confidential 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.

8. 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's Charter 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 in accordance to the provision under Section 3.2 above.

Jakarta, 3 September 2012

PT INDONESIA INFRASTRUCTURE FINANCE

Name: Kartika Wirjoatmodjo 

Title: President Director

ANNEX 1

MODIFICATIONS TO A BOC-APPROVED INVESTMENT THAT REQUIRE BoC-IC'S APPROVAL (for the first 10 projects and/or projects with exposure limit beyond the Committee's authority level)

In the event of modifications to the following aspects of a BOC – approved investment, a BoC-IC approval for such modifications must be obtained:

- a. reduction in the lending rate of more than 1%;
- b. change in the proposed collateral;
- c. change in the moratorium period;
- d. change in the repayment schedule;
- e. change in financing amount;
- f. change in grace period;
- g. change in deal structure.