

**RISK MANAGEMENT COMMITTEE OF THE BOARD OF DIRECTORS CHARTER  
OF  
PT INDONESIA INFRASTRUCTURE FINANCE**

26 March 2024

**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.

OJK Regulation No. 44/POJK.05/2020 requires the establishment of Risk Management Committee which consists of at least:

- a. half of the members of the Board of Directors; and
- b. relevant executive officials, which are officials who report directly to the Board of Directors or have significant influence on IIF’s policies and/or operations related to the implementation of Risk Management, include division heads, head of risk management unit, head of compliance unit, and head of internal audit unit.

In order to actively monitor the risk management over IIF’s business activities as well as to provide recommendations in formulating risk management policies and strategies for IIF, it is required to establish the Risk Management Committee of the Board of Director (“RMC” or the “Committee”).

This RMC Charter shall supersede and replace any other similar/previous RMC Charter of IIF that may have been formally created in the past.

**2. Roles and Responsibilities**

The roles and responsibilities of the RMC under the risk management arrangements are provided below.

- a. Provide strategic formulation of risk management policies and framework, including the setting of limits framework and the formulation of contingency plans for adverse conditions;
- b. Oversee the evaluation and management of the overall risk composition in IIF’s portfolio, minimize risks at the project as well as the portfolio level, develop a risk management culture at all levels, ensure Risk Management Directorate operates independently;
- c. Investigate, analyze, and take necessary action in respect of issues related to business decisions that deviate from normal procedures;
- d. Evaluate proposals related to new activities and products and judge the desirability and ability of IIF undertaking these new activities and products from a risk perspective, and evaluate proposals for associated changes in policies and procedures;
- e. Monitor the adequacy of IIF’s capital against described risks in accordance with prevailing regulations and the company’s risk tolerance;
- f. Evaluate the effectiveness of the risk management policies and procedures, formulate necessary amendment on the existing risk management policies and procedures, evaluate the adequacy of internal controls and review regular MIS reports;
- g. Conduct regular review to evaluate the appropriateness of the risk assessment methodologies;

- h. Review and agree on Quarterly Risk Management report produced by the Risk Management Directorate;
- i. Review and propose any changes and/or additions, if so required, for any risk parameters or indicators to the Risk Oversight Committee of the Board of Commissioners;
- j. In relation to the fraud and corruption prevention, RMC is responsible for:
  - Developing strategies to promote fraud and corruption awareness and ethics for employees;
  - Reviewing the enterprise-wide Fraud and Corruption Risk Assessment prepared by Risk Management Directorate at least every three years, or following any major structural or functional changes of IIF or whenever deemed necessary;
  - Determining fraud and corruption control strategies to address risks identified in the Fraud and Corruption Risk Assessment;
  - Ensuring that employees within their area of responsibility receive appropriate fraud and corruption awareness training and understand IIF's Code of Conduct;
  - Recommending appropriate policies and procedures for the detection and prevention of fraud and corruption;
  - Reviewing and updating policies and procedures whenever necessary but at least once every two years to ensure they reflect best practice principles and standards in fraud and corruption prevention.

For avoidance of doubt, monitoring, management, and decisions on action taken concerning suspected or proven Fraud and Corruption cases and related issues, including the reporting channel and procedure of Whistleblowing would be the responsibility of Fraud and Corruption Prevention Committee.

### 3. Structure and Qualification

#### 3.1. Composition

The composition members of the Committee are as follows:

- (i) Permanent members with voting rights ("Voting Members"):
  - President Director (Chairman);
  - Director of Risk (Convenor);
  - Director(s) of Investment;
  - Director of Finance.

All Voting Members have voting rights, conditionally that the BoD has rights to decide on the composition for Permanent members above.

- (ii) Permanent member without voting right (Non-Voting Member):
  - Head of Operational and Enterprise Risk (Secretary of the Committee).
- (iii) Non-permanent members (Non-Voting Members): any other participant(s) or invitee(s) outside the permanent members of RMC as deem necessary. Non-permanent members should ideally include the following:
  - Head of Advisory.

- Head of Credit Risk;
- Head of Market & Liquidity Risk;
- Head of Social & Environmental Risk;
- Head of Legal & Corporate Secretary;
- Head of Corporate Compliance;
- Head of Internal Audit.

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

### **3.2. Appointment**

The Committee members are appointed by the Chairman. At the time of appointment of each of the Committee member, the Chairman will determine whether the relevant member will have a voting right or not.

### **3.3. Membership Period**

The period of the members of the Committee 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 Committee will meet at least once a quarter. Ad-hoc meetings may be convened for discussion of relevant matter/issue of which urgent decision is required.

### **4.2. Meeting procedures, quorum, required votes**

- a. A quorum of three (3) Voting Members (presence of President Director is mandatory) is required to convene a meeting.
- b. The Committee 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.
- c. An RMC member may be represented in the RMC meeting by another member of the Committee who is a Director of the Company by virtue of a written delegation of authority.
- d. The Committee members who do not have voting rights may only vote in meetings if they are given a written delegation of authority by the Voting Members to attend the meeting on the relevant Voting Member. This provision also applies to representatives of Voting Members who attend the meeting by virtue of a written delegation of authority by Voting Members.
- e. 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 RMC 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 Convenor.
- f. RMC 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.

#### **4.3. Notice**

Subject to Article 4.4 below, a prior written notice and materials of the meeting must be sent by the Secretary of the Committee after obtaining approval from the Chairman or his/her representative to each of the Committee member by registered letter or electronic communication such as email not later than 3 (three) working days before the date of the Committee meeting.

#### **4.4. Agenda**

The agenda for each RMC meeting is decided by the Chairman and/or Convenor of the Committee. The Committee meeting agenda shall be clearly defined and be distributed to the Committee members at least 3 (three) business days prior to the meeting date.

#### **4.5. Invitees**

The Committee can request the attendance of any person it considers appropriate at any of its meetings; of which such person will not have the voting right.

#### **4.6. Secretary**

Head of Operational and Enterprise Risk as the Secretary of the Committee shall send a prior written notice and materials as well as the agenda of the meeting at least 3 (three) business days prior to the meeting. He/she shall attend all meetings of the RMC to take the minutes of meeting. In the absence of the Secretary of the Committee, the Convenor of the Committee can appoint one of the non-permanent members as the secretary of the Committee.

#### **4.7. Minutes of Meeting**

Minutes of meeting must be prepared by the Secretary of the Committee in writing and delivered to all of the Committee members who participated in the meeting to be approved and signed. Such minutes must be sent to all members present in the meeting within 7 (seven) business days after such meeting. Any dissenting opinions in the meeting must be written clearly in the minutes of meeting together with the reason of the dissenting opinions.

### **5. Reporting**

- a. The minutes of the Committee meeting shall be made accessible to the Risk Oversight Committee ("ROC") upon request;
- b. The responsibilities carried out by the Committee during the relevant financial year as documented in the minutes of meeting may be reviewed by independent external auditor during financial audit;
- c. The Committee will report its roles and responsibilities, composition of the Committee, meeting schedule during the relevant year, and the agenda being discussed in the annual report;
- d. Unless all BoD members are also RMC members, once a year the Committee shall make a self-assessment upon the effectiveness of the Committee's activities and report this to the BoD.
- e. The Committee's reports (including Minutes of Meeting) must be signed off by the Chairman.

## **6. Confidentiality**

Each RMC member and invitee (if any) must keep confidential and may not disclose any documents, data, and information relating to IIF or any other related matters discussed in 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 Charter must be approved by the BoD.
- b. To maintain and improve the Committee quality, the Committee may arrange for any orientation, development, training, or education program for the Committee members.
- c. The Committee can confer with the external auditors when deemed appropriate by either party.