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OFFICIAL DOCUMENTS

LOAN NUMBER 8610-ID

Loan Agreement

(Power Distribution Development Program)

between

PT PERUSAHAAN LISTRIK NEGARA (PERSERO)
and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Dated MAY 20, 2016

LOAN NUMBER 8610-ID

LOAN AGREEMENT

Agreement dated MAY 20, 2016, between PT PERUSAHAAN LISTRIK NEGARA (PERSERO) ("Borrower" or "PLN") and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank").

WHEREAS by an agreement (the "Guarantee Agreement") between the Republic of Indonesia (the "Guarantor") and the Bank, the Guarantor has agreed to guarantee the obligations of the Borrower in respect of the loan provided for in Article II of this Agreement (the "Loan") and to undertake such other obligations as set forth in the Guarantee Agreement,

The Borrower and the Bank hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral part of this Agreement.

1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — LOAN

2.01. The Bank agrees to lend to the Borrower, on the terms and conditions set forth or referred to in this Agreement, the amount of five hundred million United States Dollars (USD 500,000,000), as such amount may be converted from time to time through a Currency Conversion in accordance with the provisions of Section 2.08 of this Agreement ("Loan"), to assist in financing the program described in Schedule 1 to this Agreement ("Program").

2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section IV of Schedule 2 to this Agreement. All withdrawals from the Loan Account shall be deposited by the Bank into an account specified by the Borrower and acceptable to the Bank.

2.03. The Front-end Fee payable by the Borrower shall be equal to one quarter of one percent (0.25%) of the Loan amount. The Borrower shall pay the Front-end Fee not later than sixty days after the Effective Date.

2.04. The Commitment Charge payable by the Borrower shall be equal to one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.

2.05. The interest payable by the Borrower for each Interest Period shall be at a rate equal to the Reference Rate for the Loan Currency plus the Variable Spread; provided, that upon a Conversion of all or any portion of the principal amount of the Loan, the interest payable by the Borrower during the Conversion Period on such amount shall be determined in accordance with the relevant provisions of Article IV of the General Conditions. Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty days, then the interest payable by the Borrower shall instead be calculated as provided in Section 3.02 (e) of the General Conditions.

2.06. The Payment Dates are March 15 and September 15 in each year.

2.07. The principal amount of the Loan shall be repaid in accordance with the amortization schedule set forth in Schedule 3 to this Agreement.

2.08. (a) The Borrower may at any time request any of the following Conversions of the terms of the Loan in order to facilitate prudent debt management: (i) a change of the Loan Currency of all or any portion of the principal amount of the Loan, withdrawn or unwithdrawn, to an Approved Currency; (ii) a change of the interest rate basis applicable to: (A) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate to a Fixed Rate, or vice versa; or (B) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Reference Rate and the Variable Spread to a Variable Rate based on a Fixed Reference Rate and the Variable Spread, or vice versa; or (C) all of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Variable Spread to a Variable Rate based on a Fixed Spread; and (iii) the setting of limits on the Variable Rate or the Reference Rate applicable to all or any portion of the principal amount of the Loan withdrawn and outstanding by the establishment of an Interest Rate Cap or Interest Rate Collar on the Variable Rate or the Reference Rate.

(b) Any conversion requested pursuant to paragraph (a) of this Section that is accepted by the Bank shall be considered a "Conversion", as defined in the General Conditions, and shall be effected in accordance with the provisions of Article IV of the General Conditions and of the Conversion Guidelines.

2.09. (a) If on any given day, the Total Exposure exceeds the Standard Exposure Limit (as said terms are defined in sub-paragraphs (b)(ii) and (b)(iii) of this Section), the Borrower shall pay to the Bank a surcharge at the rate of one half of one percent (0.5%) per annum of the Allocated Excess Exposure Amount (as defined in sub-paragraph (b)(i) of this Section) for each said day ("Exposure Surcharge"). The Exposure Surcharge (if any) shall be payable semi-annually in arrears on each Payment Date.

(b) For purposes of this Section the following terms have the meanings set forth below:

(i) "Allocated Excess Exposure Amount" means for each day during which the Total Exposure exceeds the Standard Exposure Limit, the product of: (A) the total amount of said excess; and (B) the ratio of all (or, if the Bank so determines, a portion) of the Loan to the aggregate amount of all (or the equivalent portions) of the loans made by the Bank to the Republic of Indonesia and to other borrowers guaranteed by the Republic of Indonesia that are also

subject to an exposure surcharge, as said excess and ratio are reasonably determined from time to time by the Bank.

(ii) "Standard Exposure Limit" means the standard limit on the Bank's financial exposure to the Republic of Indonesia which, if exceeded, would subject the Loan to the Exposure Surcharge, as determined from time to time by the Bank.

(iii) "Total Exposure" means for any given day, the Bank's total financial exposure to the Republic of Indonesia, as reasonably determined by the Bank.

ARTICLE III — PROGRAM

3.01. The Borrower declares its commitment to the objectives of the Program. To this end, the Borrower shall carry out the Program in accordance with the provisions of Article V of the General Conditions.

3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Borrower and the Bank shall otherwise agree, the Borrower shall ensure that the Program is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE BANK

4.01. The Additional Event of Suspension consists of the following, namely that, the Borrower's Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Borrower to perform any of its obligations under the Agreement or the achievement of objectives of the Program.

4.02. The Additional Event of Acceleration consists of the following, namely that, any event specified in 4.01 of this Agreement occurs and is continuing for a period of 30 days after notice of the event has been given by the Bank to the Borrower.

ARTICLE V — EFFECTIVENESS; TERMINATION

5.01. The Additional Condition of Effectiveness consists of the following, namely, that the Guarantee Agreement has been executed on behalf of the Guarantor and the Bank.

5.02. The Additional Legal Matter consists of the following, namely, that the Guarantee Agreement has been duly authorized or ratified by the Guarantor and is legally binding upon the Guarantor in accordance with its terms.

5.03. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Borrower's Representative is its President Director.

6.02. The Borrower's Address is:

Jl. Trunojoyo Blok M-1/135
Kebayoran Baru
Jakarta, 12160
Indonesia

6.03. The Bank's Address is:

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Telex:	Facsimile:
248423(MCI) or 64145(MCI)	1-202-477-6391

AGREED at Jakarta, Republic of Indonesia, as of the day and year first above written.

PT PERUSAHAAN LISTRIK NEGARA (PERSERO)

By _____
Authorized Representative

Name: SOFYAN BASIR

Title: PRESIDENT DIRECTOR OF PT PLN (Persero)

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By _____
Authorized Representative

Name: Rodrigo A. Chaves

Title: Country Director

SCHEDULE 1

Program Description

The objective of the Program is to increase access to electricity services and to improve the efficiency and reliability of their delivery in selected areas of Indonesia.

The Program consists of the following activities, which constitute the Borrower's distribution program to be carried out in Sumatra in the period between 2015-2019, as further elaborated in the RUPTL ("Borrower's power system expansion plan for 2015-2024"):

1. Improved Access to Electricity. Expansion of the distribution network with approximately: (a) 19,487 Circuit Kilometers of MV and 23,594 Circuit Kilometers of LV distribution lines; and (b) 28,327 transformer units with a total MVA capacity of 2,895.

2. Improved Quality of Service. Improving the quality of electricity service through, among others: (a) system reinforcement and upgrading; (b) managing customer outage; (c) upgrading of distribution control centers to SCADA functionality; and (d) completion of a GIS database in at least five feeders.

3. Improved Distribution Efficiency. (a) Expanding, rehabilitating and upgrading the distribution lines and substations; (b) increasing the number of distribution transformers and thereby improving the LV/MV ratio in the network; and (c) supporting improved network planning through improved metering and thereby resulting in reduction of distribution losses.

4. Increased Power Consumption. Carrying out a program of activities aimed at increasing access to electricity services, improving quality of electricity services and improving efficiency as well as institutional capacity of PLN.

5. Improved Institutional Capacity. Carrying out a program of activities to improve distribution system planning and budgeting as well as operational management.

SCHEDULE 2

Program Execution

Section I. Implementation Arrangements

A. Program Fiduciary, Environmental and Social Systems

Without limitation on the provisions of Article V of the General Conditions, the Borrower shall carry out the Program, or cause the Program to be carried out, in accordance with financial management, procurement and environmental and social management systems acceptable to the Bank ("Program Fiduciary, Environmental and Social Systems") which are designed to ensure that:

1. The Loan proceeds are used for their intended purposes, with due attention to the principles of economy, efficiency, effectiveness, transparency, and accountability; and

2. the actual and potential adverse environmental and social impacts of the Program are identified, avoided, minimized, or mitigated, as the case may be, all through an informed decision-making process.

B. Anti-Corruption

Without limitation on the provisions of Part A of this Section, the Borrower shall carry out the Program, or cause the Program to be carried out, in accordance with the provisions of the Anti-Corruption Guidelines.

C. Other Program Institutional and Implementation Arrangements

1. Program Institutions

Without limitation on the generality of Section I. A of this Schedule, the Borrower shall:

(a) Maintain, at all times during Program implementation, within the Borrower's regular administrative system, implementation arrangements (including the Directorate of Corporate Planning, the Directorate of Finance, the Directorate of Regional Business for Sumatra, Directorate of Human Capital Management, Directorate of Procurement, SPKK, SPI, SHK, the Wilayahs and Distribution Units in Sumatra), all with staff, functions and resources satisfactory to the Bank;

(b) maintain a Program Management Unit at the Borrower's headquarters in Jakarta, assigned with staff (including technical, environmental and social, fiduciary, monitoring and evaluation specialists) in adequate number and with resources and functions satisfactory to the Bank; and

(c) ensure that Program Implementation Units at the Wilayahs are, at all times during Program implementation, led by a general manager who is assisted by adequate professional and administrative staff (including procurement and financial management specialists), with experience and qualifications, functions and resources satisfactory to the Bank.

2. Annual Work Plans

Without limitation on the generality of Section I.A of this Schedule, the Borrower shall:

(a) Furnish to the Bank no later than January 20 in each calendar year, beginning in 2017, the Annual Work Plan; and

(b) thereafter, ensure the implementation of the Annual Work Plan in a manner consistent with the Program Description in Schedule 1 of this Agreement.

3. Program Action Plan

Without limitation on the generality of Section I.A of this Schedule, the Borrower shall:

(a) Undertake the actions set forth in the Program Action Plan;

(b) except as the Bank and the Borrower shall otherwise agree in writing, not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the Program Action Plan, or any provision thereof; and

(c) maintain policies and procedures adequate to enable it to monitor and evaluate, in accordance with guidelines acceptable to the Bank, the implementation of the Program Action Plan.

Section II. Excluded Activities

The Borrower shall ensure that the Program excludes any activities which:

A. In the opinion of the Bank, are likely to have significant adverse impacts that are sensitive, diverse, or unprecedented on the environment and/or affected people; or

B. involve the procurement of: (a) works, estimated to cost seventy five million United States Dollar (USD 75,000,000) equivalent or more per contract; (b) goods, estimated to cost fifty million United States Dollar (USD 50,000,000) equivalent or more per contract; (c) non-consulting services, estimated to cost forty million United States Dollar (USD 40,000,000) equivalent or more per contract; or (d) consultants' services, estimated to cost twenty million United States Dollar (USD 20,000,000) equivalent or more per contract.

Section III. Program Monitoring, Reporting and Evaluation; Audits

A. Program Reports

The Borrower shall monitor and evaluate the progress of the Program and prepare Program Reports in accordance with the provisions of Section 5.08 of the General Conditions. Each Program Report shall cover the period of one calendar quarter, and shall be furnished to the Bank not later than thirty (30) days after the end of the period covered by such report.

B. Program Financial Audits

Without limitation on the generality of Section I.A of this Schedule 2 and Section 5.09 of the General Conditions, the Borrower shall have the Financial Statements audited in accordance with the provisions of Section 5.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Borrower. The audited Financial Statements for each such period shall be furnished to the Bank not later than six months after the end of such period.

C. Verification

1. The Borrower shall maintain appropriate monitoring and evaluation arrangements for the Program satisfactory to the Bank, including DLI verification protocols. To this end, the Borrower shall:

   (a) Retain an entity with experience, independence, and capacity and under the terms of reference acceptable to the Bank (Independent Verification Agent) to verify the data and other evidence supporting the achievement of one or more Disbursement Linked Results (DLRs) as set forth in Schedule 4 to this Agreement;

   (b) not later than January 31 of each Fiscal Year of Program implementation, starting from January 31, 2017 , cause the Independent Verification Agent to undertake in each case a verification audit in accordance with verification protocol agreed with the Bank; and

   (c) not later than March 31 of each Fiscal Year of Program implementation, starting from March 31, 2017 furnish to the Bank the corresponding report of the Independent Verification Agent, in form and substance satisfactory to the Bank.

2. Without limitation to the provision of paragraph 1 above, the Borrower shall cause the Independent Verification Agent to undertake, no later than one month after the date of this Agreement a verification audit to assess the fulfillment of appropriate Disbursement Linked Results set out in Schedule 4 to this Agreement in accordance verification protocol agreed with the Bank; and, no later than two months after the date of this Agreement furnish to the Bank the report of the Independent Verification Agent, in form and substance agreed with the Bank.

3. For the purpose of collecting and collating appropriate data for the above-mentioned verification audit(s), the Borrower shall deploy and maintain, throughout the period of implementation of the Program, staff in adequate numbers and with appropriate qualifications and experience.

Section IV. Withdrawal of Loan Proceeds

A. General

1. The Borrower may withdraw the proceeds of the Loan in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Bank may specify from time to time by notice to the Borrower to finance the Program Expenditures, on the basis of the results ("Disbursement Linked Results" or "DLRs") achieved by the Borrower, as measured against specific indicators ("Disbursement Linked Indicators" or "DLIs"); as set forth in the table of Schedule 4 to this Agreement, and in the table in paragraph 2 of this Part A, respectively.

2. The following table specifies each category of withdrawal of the proceeds of the Loan (including the Disbursement Linked Indicators as applicable) ("Category") and the allocation of the amounts of the Loan to each Category:

Category (including Disbursement Linked Indicator as applicable)	Amount of the Loan Allocated (expressed in USD)
(1) DLI #1: Number of new residential customers (households) connected	145,556,000
(2) DLI #2: Additional length of MV distribution lines constructed (Circuit Kilometers)	55,000,000
(3) DLI #3: Number of MV feeder technical interruptions per 100 Circuit Kilometers	60,000,000
(4) DLI #4: Additional distribution transformer units installed	65,556,000
(5) DLI #5: Volume of increased energy sales to residential customers (in GWh)	105, 556,000
(6) DLI #6: Annual Work Plan for FY 2016 approved by PLN Board of Commissioners	15,000,000
(7) DLI #7: PLN has collaborated with development partners in the recruitment of an Independent Verification Agent	1,000,000
(8) DLI #8: Integration of budgeting with ERP in all Program Wilayahs and Distribution Units	19,000,000
(9) DLI #9: Submission of revised planning guidelines, acceptable to the Bank, to the Director of Regional Business for Sumatra and the Director's approval of the guidelines	25,000,000
(10) DLI #10: Integration of planning software with GIS facilities	8,332,000
TOTAL AMOUNT	**500,000,000**

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:

   (a) from the Loan Account until the Bank has received payment in full of the Front-end Fee;

   (b) for purposes of Section 2.05 of the General Conditions, for payments for Program Expenditures made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed one hundred million United States Dollars (USD 100,000,000) may be made for such payments made prior to this date but on or after September 1, 2015; or

   (c) for any DLR until and unless the Borrower has furnished evidence satisfactory to the Bank that said DLR has been achieved.

2. Notwithstanding the provisions of Section IV.B.1(b) of this Schedule, if the Bank is not satisfied that any of the DLR(s) set forth in Schedule 4 of this Agreement has/have been achieved by the end of the respective Period in which said DLR(s) is/are set to be achieved and/or the Allocated Amount(s) of such DLR(s) has/have not been fully withdrawn, the Bank may, at any time, by notice to the Borrower, decide, in its sole discretion, to:

   (a) Authorize the withdrawal of such lesser amount of respective unwithdrawn Allocated Amount(s) then allocated to said DLR(s) which, in the opinion of the Bank, corresponds to the extent of achievement of said DLR(s);

   (b) withhold all or a portion of the proceeds of the Loan then allocated to said DLR(s) until such DLR(s) is/are satisfactorily met;

   (c) reallocate all or a portion of the proceeds of the Loan then allocated to said DLR(s) to any other DLR(s); and/or

   (d) cancel all or a portion of the proceeds of the Loan then allocated to said DLR(s).

3. The Closing Date is April 30, 2020.

4. Notwithstanding the foregoing provisions of this Section IV, if at any time after the Closing Date the Borrower has failed to provide evidence satisfactory to the Bank that the Withdrawn Loan Balance does not exceed the total amount of Program Expenditures paid by the Borrower, exclusive of any such expenditures financed by any other financier or by the Bank or the Association under any other loan, credit or grant, the Borrower shall, promptly upon notice from the Bank, refund to the Bank such excess amount of the Withdrawn Loan Balance. The Bank shall cancel the refunded amount of the Withdrawn Loan Balance.

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Section V. Other Undertakings

(a) Except as the Bank shall otherwise agree in writing, the Borrower shall not incur any debt, unless a reasonable forecast of the revenues and expenditures of the Borrower shows that the estimated net revenues of the Borrower for each fiscal year during the term of the debt shall be at least 1.5 times the estimated debt service requirements of the Borrower in such year on all debt of the Borrower, including the debt to be incurred.

(b) For the purposes of this Section:

(i) The term "debt" means any indebtedness of the Borrower maturing by its terms more than one year after the date on which it is originally incurred.

(ii) Debt shall be deemed to be incurred: (A) under a loan contract or agreement or other instrument providing for such debt or for the modification of its terms of payment on the date of such contract, agreement or instrument; and (B) under a guarantee agreement, on the date the agreement providing for such guarantee has been entered into.

(iii) The term "net revenues" means the difference between:

(A) the sum of revenues from all sources related to operations and net non-operating income; and

(B) the sum of all expenses related to operations including administration, adequate maintenance, taxes and payments in lieu of taxes, but excluding provision for depreciation, other non-cash operating charges and interest and other charges on debt.

(iv) The term "net non-operating income" means the difference between:

(A) revenues from all sources other than those related to operations; and

(B) expenses, including taxes and payments in lieu of taxes, incurred in the generation of revenues in (A) above.

(v) The term "debt service requirements" means the aggregate amount of repayments (including sinking fund payments, if any) of, and interest and other charges on debt, except for interest charges incurred in financing capital expenditures during construction.

(vi) The term "reasonable forecast" means a forecast prepared by the Borrower not earlier than twelve (12) months prior to the incurrence of the debt in question, which both the Bank and the Borrower accept as reasonable and as to which the Bank has notified the Borrower of its acceptability, provided that no event has occurred since such notification which has, or may reasonably be expected in the future to have, a material adverse effect on the financial condition or future operating results of the Borrower.

(vii) Whenever for the purposes of this Section it shall be necessary to value, in terms of the currency of the Guarantor, debt payable in another currency, such valuation shall be made on the basis of the prevailing lawful rate of exchange at which such other currency is, at the time of such valuation, obtainable for the purposes of servicing such debt, or in the absence of such rate, on the basis of a rate of exchange acceptable to the Bank.

SCHEDULE 3

Amortization Schedule

1. The following table sets forth the Principal Payment Dates of the Loan and the percentage of the total principal amount of the Loan payable on each Principal Payment Date ("Installment Share"). If the proceeds of the Loan have been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined by the Bank by multiplying: (a) Withdrawn Loan Balance as of the first Principal Payment Date; by (b) the Installment Share for each Principal Payment Date, such repayable amount to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

	Principal Payment Date	Installment Share (Expressed as a Percentage)
1	September 15, 2021	2.28
2	March 15, 2022	2.34
3	September 15, 2022	2.40
4	March 15, 2023	2.46
5	September 15, 2023	2.52
6	March 15, 2024	2.58
7	September 15, 2024	2.64
8	March 15, 2025	2.71
9	September 15, 2025	2.78
10	March 15, 2026	2.85
11	September 15, 2026	2.92
12	March 15, 2027	2.99
13	September 15, 2027	3.07
14	March 15, 2028	3.14
15	September 15, 2028	3.22
16	March 15, 2029	3.30
17	September 15, 2029	3.39
18	March 15, 2030	3.47
19	September 15, 2030	3.56
20	March 15, 2031	3.65
21	September 15, 2031	3.74
22	March 15, 2032	3.83
23	September 15, 2032	3.93
24	March 15, 2033	4.02
25	September 15, 2033	4.12
26	March 15, 2034	4.23
27	September 15, 2034	4.33
28	March 15, 2035	4.44
29	September 15, 2035	4.55
30	March 15, 2036	4.54

2. If the proceeds of the Loan have not been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined as follows:

   (a) To the extent that any proceeds of the Loan have been withdrawn as of the first Principal Payment Date, the Borrower shall repay the Withdrawn Loan Balance as of such date in accordance with paragraph 1 of this Schedule.

   (b) Any amount withdrawn after the first Principal Payment Date shall be repaid on each Principal Payment Date falling after the date of such withdrawal in amounts determined by the Bank by multiplying the amount of each such withdrawal by a fraction, the numerator of which is the original Installment Share specified in the table in paragraph 1 of this Schedule for said Principal Payment Date ("Original Installment Share") and the denominator of which is the sum of all remaining Original Installment Shares for Principal Payment Dates falling on or after such date, such amounts repayable to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

3. (a) Amounts of the Loan withdrawn within two calendar months prior to any Principal Payment Date shall, for the purposes solely of calculating the principal amounts payable on any Principal Payment Date, be treated as withdrawn and outstanding on the second Principal Payment Date following the date of withdrawal and shall be repayable on each Principal Payment Date commencing with the second Principal Payment Date following the date of withdrawal.

   (b) Notwithstanding the provisions of sub-paragraph (a) of this paragraph, if at any time the Bank adopts a due date billing system under which invoices are issued on or after the respective Principal Payment Date, the provisions of such sub-paragraph shall no longer apply to any withdrawals made after the adoption of such billing system.

4. Notwithstanding the provisions of paragraphs 1 and 2 of this Schedule, upon a Currency Conversion of all or any portion of the Withdrawn Loan Balance to an Approved Currency, the amount so converted in the Approved Currency that is repayable on any Principal Payment Date occurring during the Conversion Period, shall be determined by the Bank by multiplying such amount in its currency of denomination immediately prior to the Conversion by either: (i) the exchange rate that reflects the amounts of principal in the Approved Currency payable by the Bank under the Currency Hedge Transaction relating to the Conversion; or (ii) if the Bank so determines in accordance with the Conversion Guidelines, the exchange rate component of the Screen Rate.

5. If the Withdrawn Loan Balance is denominated in more than one Loan Currency, the provisions of this Schedule shall apply separately to the amount denominated in each Loan Currency, so as to produce a separate amortization schedule for each such amount.

SCHEDULE 4

Disbursement-Linked Results

DLI#	DLRs to be Achieved in				
	September 2015 – April 2016	**May 2016 – December 2016**	**FY 2017**	**FY 2018**	**FY 2019**
1. Number of new residential customers (households) connected (in thousands)	270	60	387	403	449
Allocated Amount (USD Million)	25.055	5.583	35.897	37.358	41.663
2. Additional length of MV distribution lines constructed (in thousand Circuit Kilometers)	5,382	557	1,251	1,339	1,380
Allocated Amount (USD Million)	29.871	3.091	6.946	7.432	7.660
3. Number of MV feeder interruptions per 100 Circuit Kilometers MV network		21.12	21.08	21.04	21.02
Allocated Amount (USD Million)		28.276	14.070	9.761	7.893
4. Additional distribution transformer units installed	3,032	732	1,670	3,406	5,112
Allocated Amount (USD Million)	14.247	3.438	7.849	16.003	24.019
5. Volume of increased energy sales to residential customers (in GWh)	656	693	975	1,133	1,460
Allocated Amount (USD Million)	14.081	14.884	20.939	24.317	31.336

6. Annual Work Plan for FY 2016 approved by PLN Board of Commissioners	Approval of the Annual Work Plan				
Allocated Amount (USD Million)	15.00				
7. PLN has collaborated with development partners in the recruitment of an Independent Verification Agent	An Independent Verification Agent recruited				
Allocated Amount (USD Million)	1.00				
8. Integration of budgeting with ERP in all Program Wilayahs and Distribution Units		At least three Wilayahs	The remaining four Wilayahs		
Allocated Amount (USD Million)		9.50	9.50		
9. Submission of revised planning guidelines, acceptable to the Bank, to the Director of Regional Business for Sumatra and the Director's approval of the guidelines		Submission to the Director of Regional Business for Sumatra	Approval by the Director Regional Business for Sumatra		
Allocated amount (USD Million)		12.50	12.50		
10. Integration of planning software with GIS facilities					At least five feeders
Allocated Amount (USD Million)					8.332

APPENDIX

Section I. Definitions

1. "Allocated Amounts" means the amount in United States Dollars allocated to each individual DLR, as such amount might be increased, reallocated and/or cancelled (whether partially or in its entirety) by the Bank, from time to time as the case may be, in accordance with the provisions of Section IV.B.2 of Schedule 2 to this Agreement.

2. "Annual Work Plan" means the Borrower's annual work plan and budget (*Rencana Kerja & Anggaran Perusahaan*) for Sumatra distribution program referred to in Section I.C.2 of Schedule 2 to this Agreement.

3. "Anti-Corruption Guidelines" means the Bank's "Guidelines on Preventing and Combating Fraud and Corruption in Program-for-Results Financing," dated February 1, 2012, and revised July 10, 2015.

4. "Board of Commissioners" means a board of commissioners of the PLN, duly constituted in accordance with the PLN regulations.

5. "Borrower's Legislation" means any laws and regulations governing the ownership and operations of the Borrower, as any of them may be amended or supplemented from time to time.

6. "Category" means a category set forth in the table in Section IV.A.2 of Schedule 2 to this Agreement.

7. "Circuit Kilometer" mean one kilometer of electrical transmission or distribution circuitry including all necessary conductors, insulators and supporting structures required to provide a complete circuit or double circuit.

8. "Director of Regional Business for Sumatra" means the head of Directorate of Regional Business for Sumatra.

9. "Directorate of Finance" means the directorate of the Borrower responsible for finance, or any successor thereto.

10. "Directorate of Corporate Planning" means the directorate of the Borrower responsible for planning, or any successor thereto.

11. "Directorate of Human Capital Management" means the directorate of the Borrower responsible for human resources and environmental management, or any successor thereto.

12. "Directorate of Regional Business for Sumatra" means the directorate of the Borrower responsible for regional business in Sumatra, or any successor thereto.

13. "Directorate of Procurement" means the directorate of the Borrower responsible for procurement, or any successor thereto.

14. "Disbursement Linked Indicator" or "DLI" means in respect of a given Category, the indicator related to said Category as set forth in the table in Section IV.A.2 of Schedule 2 to this Agreement. It also refers to each disbursement-linked indicator set forth in the first column of the matrix set forth in Schedule 4 to this Agreement.

15. "Disbursement Linked Result" or "DLR" means each of the disbursement-linked results set forth in Schedule 4 to this Agreement.

16. "Distribution Unit" means a PLN's branch office responsible for distribution system in a defined geographic areas.

17. "Enterprise Resource Planning" or "ERP" means a category of business-management software that an organization can use to collect, store, manage and interpret data from many business activities, including: planning, costing, production, service delivery and distribution and sales.

18. "Fiscal Year" or "FY" means the Borrower's fiscal year commencing January 1 and ending December 31 of the same year.

19. "General Conditions" means the "International Bank for Reconstruction and Development General Conditions for Loans", dated March 12, 2012, with the modifications set forth in Section II of this Appendix.

20. "GIS" means geographic information system.

21. "Government Regulation" means a *Peraturan Pemerintah*, a regulation signed by the President, and issued by the government, of the Republic of Indonesia.

22. "GWh" means gigawatt hour.

23. "Independent Verification Agent" means the entity referred to in Section III.C.1(a) of Schedule 2 to this Agreement.

24. "LV" means low voltage.

25. "MV" means medium voltage.

26. "Program Action Plan" means the Borrower's plan dated February 18, 2016 and referred to in Section I.C.3 of Schedule 2 to this Agreement, as may be amended from time to time with the prior written agreement of the Bank.

27. "Program Fiduciary and Environmental and Social Systems" means the Borrower's systems for the Program referred to in Section I.A of Schedule 2 to this Agreement.

28. "Program Management Unit" means the Program entity referred to in Section I.C.1 (b) of the Schedule 2 to the Loan Agreement.

29. "Program Implementation Unit" means the Program entities referred to Section I.C.1 (c) of the Schedule 2 to the Loan Agreement.

30. "SCADA" or "Supervisory Control and Data Acquisition" means a computer system that monitors substations, transformers and other electrical assets in distribution systems.

31. "SHK" means *Satuan Hukum Korporat* a unit of the Borrower responsible for legal affairs, or any successor thereto.

32. "SPI" means *Satuan Pengawasan Intern* a unit of the Borrower responsible for internal audit, or any successor thereto.

33. "SPKK" means *Satuan Pengendalian Kinerja Korporat* a unit at the Borrower's head office that reports directly to the Borrower's President Director and is responsible for the monitoring and evaluation of overall corporate performance, strategic program, and guiding action in change management, or any successor thereto.

34. "Wilayah" means PLN's branch offices that are responsible for generation, transmission and distribution in defined geographic areas.

Section II. Modifications to the General Conditions

The General Conditions are hereby modified as follows:

1. Wherever used throughout the General Conditions, the term "the Project" is modified to read "the Program", the term "the Project Agreement" is modified to read "the Program Agreement", the term "Project Implementing Entity" is modified to read "the Program Implementing Entity", the term "Project Report" is modified to read "Program Report"; and the term "Eligible Expenditures" is modified to read "Program Expenditures".

2. In the **Table of Contents**, the references to Sections, Section names and Section numbers are modified to reflect the amendments set forth below.

3. Section 2.02, *Special Commitment by the Bank*, is deleted in its entirety, and the subsequent Sections in Article II are renumbered accordingly.

4. In Section 2.02 (originally numbered as Section 2.03), the heading "*Applications for Withdrawal or for Special Commitment*" is replaced with "*Applications for Withdrawal*", and the phrase "or to request the Bank to enter into a Special Commitment" is deleted.

5. The section originally numbered as Section 2.04, *Designated Accounts* is deleted in its entirety, and the subsequent Sections in Article II are renumbered accordingly.

6. Paragraph (a) of Section 2.03 (originally numbered as Section 2.05), *Eligible Expenditures* (renamed "Program Expenditures" in accordance with paragraph 1 of this Section II), is modified to read: "(a) the payment is for the financing of the reasonable cost of expenditures required for the Program and to be financed out of the proceeds of the Loan in accordance with the provisions of the Legal Agreements;".

7. The last sentence of Section 2.04 (originally numbered as Section 2.06), *Financing Taxes*, is modified to read: "To that end, if the Bank at any time determines that the amount of any such Tax is excessive, or that such Tax is discriminatory or otherwise unreasonable, the Bank may, by notice to the Borrower, exclude such amount or such Tax from the Program Expenditures to be financed out of the proceeds of the Loan, as required to ensure consistency with such policy of the Bank."

8. Section 2.06 (originally numbered as Section 2.08), *Reallocation*, is modified to read:

"Notwithstanding any allocation of an amount of the Loan to a withdrawal category under the Loan Agreement, the Bank may, by notice to the Borrower, reallocate any other amount of the Loan to such category if the Bank reasonably determines at any time that such reallocation is appropriate for the purposes of the Program.

9. Section 3.01. (*Front-end Fee*) is modified to read as follows:

"Section 3.01. *Front-end Fee; Commitment Charge*

(a) The Borrower shall pay the Bank a front-end fee on the Loan amount at the rate specified in the Loan Agreement (the "Front-end Fee").

(b) The Borrower shall pay the Bank a commitment charge on the Unwithdrawn Loan Balance at the rate specified in the Loan Agreement (the "Commitment Charge"). The Commitment Charge shall accrue from a date sixty days after the date of the Loan Agreement to the respective dates on which amounts are withdrawn by the Borrower from the Loan Account or cancelled. The Commitment Charge shall be payable semi-annually in arrears on each Payment Date."

10. Section 7.01, *Cancellation by the Borrower*, is modified to read: "The Borrower may, by notice to the Bank, cancel any amount of the Unwithdrawn Loan Balance."

11. Paragraph (d) of Section 7.03, *Cancellation by the Bank*, entitled "*Misprocurement*", is deleted, and subsequent paragraphs are relettered accordingly.

12. Section 7.04, *Amounts Subject to Special Commitment not Affected by Cancellation or Suspension by the Bank*, is deleted in its entirety, and subsequent Sections in Article VII and references to such Sections are renumbered accordingly.

13. In the Appendix, **Definitions**, all references to Section numbers and paragraphs are modified, as necessary, to reflect the modifications set forth above.

14. A new paragraph 19 is inserted with the following definition of "Commitment Charge", and the remaining paragraphs are renumbered accordingly:

"19. "Commitment Charge" means the commitment charge specified in the Loan Agreement for the purpose of Section 3.01(b)."