

Guidance on Main Duties and Work Functions  
of the Risk Management Committee  
according to Good Corporate Governance

**RISK MANAGEMENT  
COMMITTEE  
CHARTER**

PT ELNUSA Tbk





# TABLE OF CONTENT

<b>CHAPTER I INTRODUCTION</b>	5
1.1 Background	5
1.2 Purposes and Objective	5
1.3 Definition	5
<b>CHAPTER II MEMBERSHIP</b>	6
2.1 Structure of Membership	6
2.2 Term of Office	6
2.3 Membership Requirements	6
2.3.1 General Requirements	6
2.3.2 Special Requirements	7
<b>CHAPTER III DUTIES AND RESPONSIBILITIES</b>	8
3.1 Duties and Responsibilities	8
3.2 Authorities	8
3.3 Ethical Code of Confidentiality	8
<b>CHAPTER IV MEETINGS AND REPORTING</b>	9
4.1 Meetings	9
4.2 Reporting	9
<b>CHAPTER V PROHIBITIONS</b>	10
<b>CHAPTER VI CLOSING</b>	11



# CHAPTER I

## INTRODUCTION

### 1.1 Background

PT Elnusa Tbk (“Company”) as public listed company in Indonesia Stock Exchange must comply with prevailing laws and regulations in the capital market sector and must be subject to all laws and regulations relating to the Company’s operations.

Company is committed in implementing the Good Corporate Governance (GCG) consistently as inspired by the Values and Code of Conduct of the Company. In order to encourage that the Company is managed in accordance with the GCG principles, then the Board of Commissioners established Risk Management Committee. This committee works professionally, independently and on a collective basis to assist the Board of Commissioners in performing the supervisory and advisory duties and functions to the Board of Director and Management of the Company. Risk Management Committee has main duties to monitor and ensure the implementation of the principles, functions and the implementation that related to the analysis of the Risk Management of the Company.

### 1.2 Purposes and Objective

This Risk Management Committee Charter is compiled as a guideline to allow the Risk Management Committee performs their duties and responsibilities efficiently, effectively, transparently, independently and accountably.

### 1.3 Definition

1. The Risk Management Committee is a committee appointed by and responsible to the Board of Commissioners in assisting the Board of Commissioners in performing the supervisory related to the analysis of the Risk Management of the Company.
2. Risk is the potential for the occurrence of an event (events) that could cause the Company losses.
3. Risk Management is a set of procedures and methodologies used to identify, measure, monitor and control risks arising from operations of the Company.
4. The Company written in capital letter “C”, means PT Elnusa Tbk, while company written in small letter c shall refer to other companies in general;
5. The Board of Directors is a Company’s organ that is responsible on the Company’s management, for the interest of the Company and to meet the objectives of the Company and shall also represent the Company both in and out of a court in accordance with the provisions contained in the Articles of Association.
6. The Board of Commissioners is the organ that is in charge of supervising the Company in general and/or special accordance with the Articles of Association and providing advice to the Board of Directors.
7. Independent Commissioner is a Member of the Board of Commissioners from outside the Company and qualified as Independent Commissioner.

# CHAPTER II

## MEMBERSHIP

### 2.1 Structure of Membership

Members of the Audit Committee consist of at least 3 (three) members, namely:

1. The member of Risk Management Committee who serve as members of the Board of Commissioners act as Committee Chairman.
2. The other members of the Risk Management Committee are:
  - a. Members of the Board of Commissioners.
  - b. Those who come from outside the Company

The member of Risk Management Committee who are not members of the Board of Commissioners shall not be members of other Committees under the Company in the same period.

### 2.2 Term of Office

1. The members of the Risk Management Committee shall be appointed and dismissed by the Board of Commissioners
2. The term of office for the members of the Risk Management Committee must not be longer than the term of office of the Board of Commissioners as stipulated in Article of Association which is 3 (three) years starting from the date of appointment and ending up to 3 (three) times of the General Meeting of Shareholders of the Company after the date of appointment.
3. The members of the Risk Management Committee can be re-appointed only for another 1 (one) period.
4. The membership of the Audit Committee may be ended at any time before the term of office ends accordance with the Decision of the Board of Commissioners.
5. Replacement of the Risk Management Committee members who are not from the Board of Commissioners made no later than 60 (sixty) days from the referred Risk Management Committee members can no longer perform its function.
6. The Company shall document the decision of appointment and dismissal of members of the Risk Management Committee.

### 2.3 Membership Requirements

#### 2.3.1 General Requirements

1. Having integrity, dedication, ability, education, independency and experience to perform their supervisory duties and functions and able to communicate in writing the results of performance of duties and functions to the Board of Commissioners in accordance with the applicable procedures.
2. Having adequate knowledge to understand the principles and management process and risk control as well as to communicate the result in writing to the Board of Commissioners.
3. Having adequate knowledge of the Article of Association of the Company, regulations that related to operational of the Company, regulations in capital market sector and statutory regulations relative to risk management.
4. Having adequate knowledge of the Company or similar industry/business of the Company and able to quickly learn the Company's activities and its relation to risk management.
5. At least one of members of the Risk Management Committee must have educational background or expertise in the field of risk management and/or Finance.

### 2.3.2 Special Requirements

In addition to the general requirements mentioned above, especially for members of the Risk Management Committee who are from outside the Company must also meet the following requirements:

1. Has no affiliation relationship with the Company, the members of the Board of Commissioners, the members of the Board of Directors or majority shareholders of the Company.
2. Shall have neither blood familial relationship up to 3<sup>rd</sup> degree, both in vertical line and in horizontal line nor relationship that result from marriage with another member of the Board of Commissioners or with a member of the Board of Directors.
3. Has no business relationship either directly or indirectly related to the activities of the Company.
4. Are not working or having authority and responsibility for planning, directing, controlling, or supervising activities of the Company within the last six (6) months before being appointed by the Board of Commissioners

## CHAPTER III

# DUTIES AND RESPONSIBILITIES

The Risk Management Committee shall be in charge of and responsible for assisting the Board of Commissioners by providing professional and independent opinion in order to ensure the implementation of the Enterprise Risk Management. Each member of Risk Management Committee should act independently in performing their duties.

### 3.1 Duties and Responsibilities

The Risk Management Committee has duties and responsibilities of at least:

1. Reviewing the application for approval from Board of Directors to the Board of Commissioners on planned corporate actions among others:
  - a. Investment.
  - b. Establishment of Subsidiaries.
  - c. Long Term Plan of the Company.
  - d. Operations Cooperation Contract.
  - e. Oil and Gas Working Area.
  - f. Asset management.
  - g. Asset Assurance.
2. Evaluating the risk management policies and strategies; operational and business development of the Company.
3. Monitoring and evaluating the implementation of risk management and mitigation on the Company's business plans and investment and operational execution in terms of the financial and legal side.
4. Reporting the results of monitoring and evaluation as well as providing recommendations on any matter which requires attention of the Board of Commissioners.

### 3.2 Authorities

1. The Risk Management Committee works collectively and is independent in carrying out their duties and responsible to the Board of Commissioners.
2. The Risk Management Committee may get the Company's information related to the implementation of Risk Management of the Company.
3. If necessary, the Risk Management Committee may employ experts and or consultants to assist them in related to business development plan of the Company upon the Board of Commissioners' written consent at the expense of the Company.

### 3.3 Ethical Code of Confidentiality

1. Members of the Risk Management Committee who are still in office, or who have been ceased to be members of the Committee shall keep confidentiality of the documents, data and information they have obtained during in office as Committee member, from both internal and external parties and shall only use then for purpose of performing their duties.
2. The Risk Management Committee members are prohibited from abusing any important information relating to the Company for personal benefits.

The Risk Management Committee members in performing their duties and responsibilities shall comply with the Company Ethic Standards and are prohibited from taking personal benefits both directly and indirectly from the Company's activities other than the honorarium together with the facilities and other allowances.



# CHAPTER IV

## MEETINGS AND REPORTING

### 4.1 Meetings

1. The Risk Management Committee shall hold meeting at least 1 (one) time within 3 (three) months.
2. The Risk Management Committee Meeting held only if:
  - a. Attended by majority of the Members of Risk Management Committee.
  - b. One of the majorities of the Members of Risk Management Committee referred to in paragraph a above is the Chairman of the Risk Management Committee.
3. Resolution of the Risk Management Committee meetings is taken by consensus.
4. In the event of decision based on consensus agreement fails, shall be adopted by voting based.
5. In the event of decision-making by voting based occurs tie vote, then the Chairman of the Meeting shall cast the deciding vote.
6. In the event of the decision-making process occurs dissenting opinion, the dissenting opinion shall be stated in the Minutes of the Meeting and the reasons for such dissent.
7. The resolution of the Risk Management Committee meetings shall be stated in the Minutes of Meeting and shall be documented properly.
8. The Minutes of the Meeting must be submitted in writing to the Board of Commissioners.

### 4.2 Reporting

1. The Risk Management Committee shall submit a report on the activity of the Risk Management Committee to the Board of Commissioners on a regular basis at least 1 (one) times a year or at the request of the Board of Commissioners.
2. Report of the Risk Management Committee is part of the report of the Board of Commissioners and submitted to the General Meeting of Shareholders.
3. The implementation of the functions of the Risk Management Committee should be loaded to website of the Company at least:
  - a. The statement that the Company has Risk Management Committee Charter.
  - b. Brief description of the duties and responsibilities of the Risk Management Committee during the fiscal year.

## CHAPTER V

# PROHIBITIONS

1. The members of the Risk Management Committee are prohibited from taking personal advantage, either directly or indirectly from the Company in addition to a legitimate income.
2. The members of the Board of Commissioners who act as the Chairman or Member of the Risk Management Committee is not given any additional income.

## CHAPTER VI

### CLOSING

1. The Risk Management Committee Charter effectively starts after the approval of the Board of Commissioners.
2. This Risk Management Committee Charter will be evaluated on annual basis for improvement or updating thereof as may be necessary with regard to the statutory regulations.

Jakarta, 22<sup>nd</sup> May 2015

Board of Commissioners

PT Elnusa Tbk

President Commissioner	Syamsu Alam	(Signed)
Independent Commissioner	Pradana Ramadhian	(Signed)
Independent Commissioner	Rinaldi Firmansyah	(Signed)
Commissioner	Budhi Himawan	(Signed)
Commissioner	Hadi Budi Yulianto	(Signed)



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