

**Business Development and Risk Monitoring  
Committee Charter  
Revision 2020**

**Attachment to Board of Commissioners Resolution  
Number: DEKOM/SKEP/005/2020**

## CHARTER

### BUSINESS DEVELOPMENT AND RISK MONITORING COMMITTEE

#### PT. GARUDA INDONESIA (PERSERO) TBK

##### I. BACKGROUND

In order to achieve the company's vision, mission, purposes and objectives, and to provide assurance to shareholders that the company is appropriately and properly managed, PT Garuda Indonesia (Persero) Tbk is committed to implementing Good Corporate Governance (GCG) continuously.

To implement GCG effectively, the Board of Commissioners establishes the Business Development and Risk Monitoring Committee (Komite Pengembangan Usaha dan Pemantauan Risiko (KPUPR)) as an organ of the Board of Commissioners whose task is to assist the Board of Commissioners in performing the task dan function of supervising and giving advice to the Board of Directors, on the effectiveness of managing the business development function and implementing the risk management in the Company.

The establishment of the KPUPR refers to the provisions contained in the following Laws and Regulations:

1. Law of the Republic of Indonesia Number 40 of 2007 on Limited Liability Companies.

2. Law of the Republic of Indonesia Number 19 of 2003 dated June 19, 2003 on State-Owned Enterprises (Badan Usaha Milik Negara (BUMN)).
3. Regulation of the State Minister for State-Owned Enterprises Number: PER-01/MBU/2011 dated August 1, 2011 in conjunction with PER-09/MBU/2012 dated July 6, 2012 on the Implementation of Good Corporate Governance in State-Owned Enterprises.
4. General Guidelines for Good Corporate Governance in Indonesia published by the National Committee on Governance Policy in 2006.
5. Articles of Association of PT Garuda Indonesia (Persero) Tbk. contained in the Deed number 8 dated March 4, 1975, drawn up before Soeleman Ardjasmita SH, Notary in Jakarta, which have been amended several times, most recently by deed Number 51 dated August 7, 2008, drawn up before Sutjipto SH, Notary in Jakarta, and which have been approved by the Minister of Law and Human Rights in accordance with his Decree number: AHU-60235.AH.01.01.Tahun 2008 dated September 8, 2008, as amended several times, most recently by Deed Number 62 dated April 27, 2017.
6. Company Policy Guidelines of PT Garuda Indonesia (Persero) Tbk. revised on August 1, 2006.

7. Board of Commissioners Resolution Number JKT/DW/037/2012 on the Establishment of Supporting Organs of the Board of Commissioners as amended by the Board of Commissioners Resolution Number JKTDW/SKEP/062/2013 dated September 23, 2013 and DEKOM/SKEP/004/2019 dated July 18, 2019 on the Appointment of Members of the Business Development and Risk Monitoring Committee.

## **II. PURPOSE**

The KPUPR was formed to assist and strengthen the Board of Commissioners in order to obtain adequate assurance that:

1. The Board of Directors has prepared strategies, targets and plans for investment and business development and strived for their realization in line with policies and guidelines for investment and business development;
2. The Board of Directors has led the implementation of risk management in the Company that meets the adequacy of the elements of strategy, policy, procedure and methodology for risk management;

so that the Company's business grows and develops under control at a risk level acceptable and beneficial to the Company.

## **III. MEMBERSHIP**

### **A. Membership Composition**

1. The KPUPR shall consist of Chairman, Vice-Chairman and 2 (two) members appointed and dismissed by the Board of Commissioners by virtue of a Board of Commissioners resolution.
2. The Chairman and Vice-Chairman of the KPUPR shall be KPUPR members who are members of the Board of Commissioners of the Company.
3. KPUPR members who are not members of the Board of Commissioners shall be from outside the Company.
4. KPUPR members who are not members of the Board of Commissioners shall be prohibited from serving as a member of another committee in the Company.

**B. Membership Requirements**

1. Committee members must have high integrity, good character and morals, and adequate knowledge and experience in the field of management, risk management and or business of the Company.
2. Having the ability to perform tasks, communicate and create effective and constructive working relationships with other Committee members and with other parties in the Company.

**C. Appointment/Dismissal and Term of Office**

1. KPUPR members shall be appointed and dismissed by the Board of Commissioners of the Company and reported to the General Meeting of Shareholders.
2. The term of office of KPUPR members who are members of the Board of Commissioners shall be in accordance with their tenure as members of the Board of Commissioners.
3. The term of office of KPUPR members who are not members of the Board of Commissioners shall be 3 (three) years (without prejudice to the right of the Board of Commissioners to dismiss them at any time) and they may be reappointed.

**D. Honorarium**

1. Members of the Board of Commissioners who are chairman or members of the Business Development and Risk Monitoring Committee shall not be given additional income other than remuneration as members of the Board of Commissioners.
2. Honorarium for KPUPR members shall be determined by the Board of Commissioners

**IV. POSITION AND AUTHORITY**

**A. Position**

The KPUPR shall have a position under the Board of Commissioners and act independently, therefore:

1. The Chairman and members of the KPUPR shall be free from the influence of the Board of Directors and other parties used by the Company;
2. The KPUPR shall only accept assignments from the Board of Commissioners and shall be responsible to the Board of Commissioners.

**B. Authority**

In performing all of its duties and responsibilities, the KPUPR shall have the authority to:

1. Access and obtain data, information, reports including various documents of the Company, its Subsidiaries and other parties (including subsidiaries of subsidiaries) that are needed and related to its duties.
2. Request and obtain an explanation from the Company and its Subsidiaries.
3. Obtain input and or suggestions, both from within the Company and from external parties relating to its duties.

**V. DUTIES AND RESPONSIBILITIES**

**A. In respect of Business Development:**

To assist the Board of Commissioners in performing the task of supervising and giving advice to the Board of Directors by:

- a. evaluating the process and results of the preparation of the Company's plans and objectives; including Long-Term Plans, Annual Work Plans and Budgets, investment plans, business development plans, and corporate action plans;
- b. evaluating the achievement of the Company's performance against the Company's plans;

**B. In respect of Risk Monitoring:**

To assist the Board of Commissioners in performing the task of supervising and giving advice to the Board of Directors by:

- a. Evaluating the consistency of various policies related to the Company's risk management with the implementation of such policies.
- b. Evaluating the task of managing the risk management function performed by the Risk Management Unit of the Company.
- c. Reviewing the risk management prepared and implemented by the Company including:
  - i. the Risk Management System framework that has been established, adhered to and used as a basis for managing the risks faced by the Company;
  - ii. the risk tolerance and level determined by the Company;



- iii. the planning of the management by the Company of the risk level and tolerance for which approval is requested by the Board of Directors from the Board of Commissioners; the business strategies set by the Board of Directors have been prepared in accordance with the nature and magnitude of the risks faced by the Company;
- iv. the adequacy of supervision over new programs/systems/processes that are significant.
- d. Making an annual work plan of the KPUPR;
- e. Reporting the work results to the Commissioners;
- C. To perform other tasks assigned by the Board of Commissioners under the applicable laws and regulations.

**VI. WORKING CONDITIONS**

1. The KPUPR shall hold a meeting at least once a month.
2. The KPUPR meeting shall be attended by at least  $\frac{1}{2}$  of the total members.
3. Resolutions adopted shall be approved by more than  $\frac{1}{2}$  of the Committee members present.

4. Results of reviews, reports and/or letters from the KPUPR to the Board of Commissioners shall be signed by at least the Chairman and/or the Vice-Chairman.
5. In order to assist in performing its daily tasks and responsibilities, the KPUPR may use experts outside the Company.
6. The results of the meeting may be set forth in the minutes of the KPUPR meeting.
  - a. Meetings with the Company's Internal and External Parties  
  
The KPUPR shall invite the Company's internal and external parties to discuss any matters related to the duties of the Committee and considered important by the Committee, including holding meetings with:
    - a. The President Director, the Board of Directors and or Senior Executives/Officers of the Company and or its Subsidiaries.
    - b. The Risk Management Work Unit of the Company and or its Subsidiaries.
    - c. External parties including experts/professionals to be consulted if needed.
  - b. KPUPR Report

1. The KPUPR shall submit reports on the results of the work of the Committee on a regular basis every quarter.
2. The KPUPR shall submit a report on the results of the review to the Commissioner for any matters that require the attention of the Commissioner.

## **VII. QUALITY CONTROL**

### **A. Development Program**

To implement a planned program to maintain the continuing implementation of the Committee's roles and responsibilities by:

- a. recruiting Committee members oriented towards meeting the adequacy of competencies.
- b. implementing an induction program for committee members who have just joined.
- c. implementing focus group discussion programs, workshops with the management and or the Risk Management Work Unit.
- d. Proposing a budget to the Secretary to the Board of Commissioners for participation in programs to improve competence and understanding of business, risk, control systems, supervision, and business conditions, including relevant continuing professional education training

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organized by the Company (in house training), as well as the Company's external parties.

**B. Evaluation Program**

The committee shall make a self-assessment every year with the aim of evaluating the performance of the committee and each committee member, and identifying areas of improvement and corrective measures that need to be taken. The results of the evaluation shall be submitted to and discussed with the Board of Commissioners.

**C. Review of General Provisions on the KPUPR**

The Business Development and Risk Monitoring Committee Charter needs to be reviewed periodically and assessed for its adequacy in order for the work performance of the Committee to be at an optimal level.

Prepared by,

BUSINESS DEVELOPMENT AND RISK MONITORING COMMITTEE

PT GARUDA INDONESIA (PERSERO) Tbk.

No.	Name	Position	Signature
1.	Chairal Tanjung	Chairman	[Signed]
2.	Peter F. Gontha	Vice-Chairman	[Signed]
3.	Bhimantara Widyajala	Member	[Signed]
4.	Arief Ibnu Nugroho	Member	[Signed]

I, **Anang Fahkcrudin**, residing at Jl. Kalibata Timur Raya No. 12, Kel. Kalibata. Kec. Pancoran, South Jakarta, ([anangf@gmail.com](mailto:anangf@gmail.com)), a sworn and authorized translator, by virtue of Jakarta Capital Territory Governor's Decree No. 2228/2001, practicing in Jakarta, do solemnly and sincerely declare that the foregoing document is a true and faithful translation from Indonesian into English of the original version.

Jakarta, March 29, 2021

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