CHARTER OF BUSINESS DEVELOPMENT AND RISK MONITORING COMMITTEE

PT GARUDA INDONESIA (PERSERO) TBK

2017
Garuda Indonesia

CHARTER OF BUSINESS DEVELOPMENT

AND RISK MONITORING COMMITTEE

PT GARUDA INDONESIA (PERSERO) TBK

I. BACKGROUND

For the purpose of achievement of vision, missions, objectives and targets of the Company, as well as to give assurance to shareholders that the Company is managed properly PT Garuda Indonesia (Persero) Tbk is committed to continuously applying Good Corporate Governance (GCG).

To apply GCG effectively, Board of Commissioners established Business Development and Risk Monitoring Committee (KPURR) as an organ of Board of Commissioners whose task is to assist Board of Commissioners carry out the supervisory and advisory tasks and functions toward Board of Directors in relation with effectiveness of management of business development function and application of risk management in the Company.

Establishment of KPURR refers to the stipulations specified in the following laws and regulations:

1. Law of the Republic of Indonesia Number 40 of 2007 on Limited Liability Company;
2. Law of the Republic of Indonesia Number 19 of 2003 dated 19 June 2003 on State-Owned Enterprises (BUMN);


4. General Guideline of Good Corporate Governance (GCG) issued by National Committee for Governance Policy of 2006;

5. Articles of Association of PT Garuda Indonesia (Persero) contained in Deed number 8 dated 4 March 1975 made before Soeleman Ardjasasmita SH, notary practicing in Jakarta, as have been amended several times and most currently amended with deed Number 51 dated 7 August 2008 made before Sutjipto SH, notary practicing in Jakarta, and has been approved by Minister of Law and Human Rights of the Republic of Indonesia in accordance with Decree Number: AHU-60235.AH.01.01.tahun 2008 dated 8 September 2008, as have been amended several times and most currently amended with deed Number 62 dated 27 April 2017;

6. Company Policy Guideline of PT Garuda Indonesia (Persero) which has been revised on 1 August 2006;

II. PURPOSE

Business Development and Risk Monitoring Committee are established to assist and strengthen Board of Commissioners to obtain adequate assurance that:

1. Board of Directors have prepared strategy, target and plan of investment and business development as well as attempted their realization which is in line with investment and business development policies and guidelines;

2. Board of Directors have led application of risk management in the Company which meets elements of strategy, policy, procedure and methodology of risk management.

so that the Company continues to grow and develop and in control at risk level that is acceptable and advantageous to the Company.

III. MEMBERSHIP

A. Membership Composition

1. Business Development and Risk Monitoring Committee consist of a Chairperson, a Vice
Chairperson, and 2 (two) members appointed and dismissed by Board of Commissioners with decision of Board of Commissioners.

2. Chairperson of Risk Policy Committee is a member of Risk Policy Committee who comes from Board of Commissioners of the Company who can act independently;

3. A member of Business Development and Risk Monitoring Committee who is not from Board of Commissioners comes from outside BUMN.

4. A member of Business Development and Risk Monitoring Committee who is not from Board of Commissioners must not concurrently become a member of another committee in the Company.

B. Membership Conditions

1. Members of Committee must have high integrity and good moral, as well as have adequate understanding and knowledge in the field of management, risk management and or business of the Company.

2. Members of Committee must have ability to carry out tasks, communicate and create effective and constructive work relation with fellow members of Committee or other parties in the Company.
C. Appointment/Dismissal and Service Term

1. Members of Business Development and Risk Monitoring Committee are appointed and dismissed by Board of Commissioners of the Company and reported to General Meeting of Shareholders.

2. Service term of members of Business Development and Risk Monitoring Committee from Board of Commissioners is in accordance with their service term as members of Board of Commissioners.

3. Service term of members of Business Development and Risk Monitoring Committee not from Board of Commissioners is maximally 3 (three) years (without prejudice to the right of Board of Commissioners to dismiss them at any time) and can be reappointed.

D. Honorarium

1. A member of Board of Commissioners who become member or chairperson of Business Development and Risk Monitoring Committee is not given additional income other than that received as member of Board of Commissioners.
2. Honorarium of members of Business Development and Risk Monitoring Committee is determined by Board of Commissioners.

IV. POSITION AND AUTHORITY

A. Position

Business Development and Risk Monitoring Committee have a position below Board of Commissioners and act independently, therefore:

1. Chairperson and members of Business Development and Risk Monitoring Committee must be free from the influence of Board of Directors and other parties used by the Company;

2. Business Development and Risk Monitoring Committee only accept assignment from Board of Commissioners and are responsible to Board of Commissioners.

B. Authority

In carrying out all their tasks and responsibilities, Business Development and Risk Monitoring Committee have the authority to:

1. access and obtain data, information, reports including various documents of the Company, subsidiary companies and other parties required and related with their tasks;
2. ask for and get explanation from the Company and subsidiary companies;

3. obtain inputs and or suggestions from outside the Company related with their tasks.

V. TASK AND RESPONSIBILITY

Business Development and Risk Monitoring Committee have the tasks and responsibilities to:

A. In relation with Business Development

To assist Board of Commissioners carry out supervisory and advisory task toward Board of Directors through:

a. evaluation on process and result of preparation of the Company’s plans and targets, including Long-Term Plan, Work Plan and Annual Budget, investment plan, business development plan, as well as corporate action plan;

b. evaluation on achievement of the Company’s performance against the Company’s plans;

B. In relation with Risk Monitoring

To assist Board of Commissioners carry out supervisory and advisory task toward Board of Directors through:
a. evaluation on consistency of various policies related with risk management of the Company with application of the policies;

b. evaluation on implementation of risk management function by the Company's Risk Management Work Unit;

c. study of risk management prepared and implemented by the Company including:

i. framework of Risk Management System that has been determined, complied with and used as foundation to manage risks faced by the Company;

ii. risk level and tolerance determined by the Company;

iii. the Company's management planning in relation with risk level as well as risk tolerance for which approval from Board of Commissioners is requested by Board of Directors;

iv. adequacy of supervision on the launch of new significant program/system/process;

d. making of annual work plan of Business Development and Risk Monitoring Committee;

e. reporting of work outcomes to Board of Commissioners;
C. to carry out other tasks given by Board of Commissioners based on stipulations of the applicable laws and regulations.

VI. WORK STIPULATIONS

1. Business Development and Risk Monitoring Committee must hold a meeting at least once in a month.

2. Meeting of Business Development and Risk Monitoring Committee is attended by at least 1/2 of total number of members.

3. Adoption of resolutions must be approved by more than 1/2 of total members attending the meeting.

4. Outcome of meeting can be expressed in a minutes of meeting of Business Development and Risk Monitoring Committee.
   a. Meeting with internal party and external party of the Company

Business Development and Risk Monitoring Committee invite internal and external parties of the Company to discuss matters related with the tasks of Committee and matters deemed important by Committee, including meeting with:
   a. President Director, Board of Directors or Senior Executive/Officer of the Company and or subsidiary companies;

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TRANSLATOR
CV. OUB KEDI 224.K. 214-2001
b. Risk Management Work Unit of the Company or subsidiary company;

c. external party including expert/professionals to give their opinions if required.

b. Report of Business Development and Risk Monitoring Committee

1. Business Development and Risk Monitoring Committee must submit report on result of work activities of Committee quarterly.

2. Business Development and Risk Monitoring Committee must submit report on result of study to Board of Commissioners for matters the require attention form Board of Commissioners.

VII. QUALITY CONTROL

a. Development Program

To carry out program to maintain continuity of implementation of the role and responsibility of Committee through:

a. recruitment of members of Committee who are oriented to the attempt to meet competency sufficiency level;
b. implementation of induction program for new members of Committee;

c. implementation of focus group discussion, workshop with the management and or Risk Management Work Unit;

d. implementation of program of improvement of competency and understanding of business, risks, control system, supervision, and business condition.

b. Evaluation Program

Business Development and Risk Monitoring Committee must carry out self-assessment once a year with the purpose to know the quality of performance of Audit Committee and each member of Audit Committee and to identify areas of improvement and corrective measures that need to be taken. The result of evaluation must be communicated to and discussed with Board of Commissioners.

c. Review of General Stipulations of Business Development and Risk Monitoring Committee

Charter of Business Development and Risk Monitoring Committee needs to be reviewed and assessed periodically in order to maintain the performance of Committee at an optimum level.
APPROVAL
APPROVAL SHEET
CHARTER OF BUSINESS DEVELOPMENT AND RISK MONITORING COMMITTEE

PT GARUDA INDONESIA (PERSERO) TBK

Jakarta, December 2017

BOARD OF COMMISSIONERS

PT GARUDA INDONESIA (PERSERO) TBK

[signed]
JUSMAN SYAFII DJAMAL
President Commissioner

[signed]
HASAN M. SOEDJONO
Independent Commissioner

[signed]
ISA RACHMATARWATA
Commissioner

[signed]
MUZAFFAR ISMAIL
Commissioner

[signed]
CHAIRAL TANJUNG
Commissioner

[signed]
DONY OSKARIA
Commissioner

ANANG FAHCRUDIN
SWORN & AUTHORIZED TRAENER
5C CIBINONG PLTU KOTA JAKARTA