

PT ANTAM (Persero) Tbk

**RISK MANAGEMENT COMMITTEE
CHARTER**



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Chapter I

Introduction

1.1 Background

Limited Liability Company (Persero) PT Aneka Tambang Tbk, abbreviated as PT ANTAM (Persero) Tbk, hereinafter referred to as ANTAM, is a State Owned Enterprise (SOE), which is listed in the Indonesian Stock Exchange (IDX) and the Australian Securities Exchange (ASX), must comply with prevailing laws and regulations in the capital market sector where ANTAM's shares are listed and must be subject to all laws and regulations relating to the Company's operations.

As a State-Owned Enterprises (SOE), ANTAM is committed to implementing the Good Corporate Governance (GCG) consistently in order to run the Company's operations based on the principle of Transparency, Accountability, Responsibility, Independency and Fairness, 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 principle that is implemented consistently as provided for in Law No. 19 Year 2003 regarding State-Owned Enterprises and Law No. 40 Year 2007 regarding Limited Liability Companies and the Financial Service Authority (FSA) Number 55/POJK.04/2015, the Board of Commissioners established an Risk Management Committee, that 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 Directors. 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 Vision and Mission

Vision

To be a Committee that has high competence in assisting the Board of Commissioners in performing the duties of overseeing and providing advices to the Board of Commissioners relating to risk management of the Company.

Mission

To assist the Board of Commissioners in performing the supervisory and advisory duties and functions in implementation risk management of the Company to ensure the company is managed healthily and consistently in accordance with the GCG principles and preventive action to the risks inspired by the Company's values and ethics.

1.3 Purpose and Objectives

This Risk Management Committee Charter is compiled as a guideline to allow the Risk Management Committee performs their duties and responsibilities efficiently, effectively, transparently, professionally, independently, and accountably and in accordance with the prevailing statutory regulations.

Chapter II

Establishment, Organization and Term of Office

2.1 Establishment

The Risk Management Committee was appointed and responsible to the Board of Commissioners and confirmed by Decree of the Board of Commissioners.

2.2 Organization

2.2.1 Structure of Membership

- a. Risk Management Committee members consist of at least 2 (two) members of the Board of Commissioners, one of whom is the President Commissioner and at least 2 (two) experts who are not key employees in ANTAM within 6 (six) recent months;
- b. Risk Management Committee members who serve as members of the Board of Commissioners act as Committee Chairman and Vice Chairman;
- c. Risk Management Committee members who are not members of the Board of Commissioners shall not be members of other Committees under ANTAM in the same period.

2.2.2 Membership

- a. Chairman and members of the Risk Management Committee are appointed and dismissed by the Board of Commissioners;
- b. If a member of the Board of Commissioners who serves as the Risk Management Committee Chairman ceases to be a member of the Board of Commissioners, the Risk Management Committee Chairman shall be replaced by another member of the Board of Commissioners no later than 30 (thirty) days;
- c. The Risk Management Committee Chairman is entitled to propose the replacement of a Risk Management Committee member who is not a member of the Board of Commissioners to the Board of Commissioners, if the committee member expires in tenure, resigns, or incompetent in carrying out his / her duties;

2.2.3 Membership Requirements

a. Special Requirements

1. Having integrity, dedication, ability, education, independency, knowledge, 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. Have adequate knowledge to understand the principles and management process & risk control as well as to communicate the result in writing to the Board of Commissioners;
3. Have 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 relating to risk management;
4. Have 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 or finance.

b. General Requirements

1. Members of the Risk Management Committee who are or who are not member of the Board of Commissioners shall have neither blood familial relationship up to third 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;
2. Having no shares, either directly or indirectly, in ANTAM and other companies that may pose any conflict of interest. In the event a member of the Committee acquires share(s) as a result of a legal event then, those share(s) must be transfer it to another party within not later than 6 (six) months as of acquiring such share(s), (in accordance with Decree of the FSA Number 55/POJK.04/2015 article 7 item i).
3. Member of the Risk Management Committee who are or who are not member of the Board of Commissioners shall not occupy other positions in the same time as management of political parties and/or legislative candidate/member and/or candidate regional head/vice head, and other positions as provided for in the statutory regulations, that may pose any conflict of interest;
4. Member of the Risk Management Committee who are not member of the Board of Commissioners shall not occupy other position in the same time as:
 - i. member of the Board of Commissioner in State Owned Enterprise/other company;
 - ii. Secretary/staff of Secretary to the Board of Commissioners in State Owned Enterprise/other company;
 - iii. member of others committee in company; and/or
 - iv. member of committee in in State Owned Enterprise/other company.
5. Shall have no business relationship, both directly or indirectly, related to ANTAM business activities that may pose any conflict of interest;
6. Not a key employee, namely, a person having authority and responsibility for planning, leading, or controlling ANTAM activities in 6 (six) months before being appointed by the Board of Commissioners;
7. Not having any personal interest, directly or indirectly with the Company's material information;
8. Not an insider in the Public Accounting Firm, Legal Consultant Office, or any other party providing audit services, non-audit services or other consulting services to ANTAM within the last 6 (six) months prior to appointment by the Board of

Commissioners;

9. Not objecting and are willing to make and sign a written statement with regard to the independence requirements as set forth above;
10. Able to work and communicate well and ethical as well as to provide sufficient time to carry out their duties properly and added value;
11. Obligated to comply with the code of conduct of the Committee set out in the Company;
12. Willing to continuously improve competence through education and training.

2.2.4 Term of Office

- a. Term of office of the Board of Commissioners' members who are also members of the Risk Management Committee shall be the same as the term of their appointment to the Board of Commissioners as determined by the General Meeting of Shareholders;
- b. Term of office of members of the Risk Management Committee who do not members of the Board of Commissioners is 3 (three) years and able to be extended for only 1 (one) for 2 (two) years of the terms with the rights of the Board of Commissioners may dismiss at any time;

2.2.5 Evaluation

Evaluation of Committee members' performance, both individually and collectively, shall be performed every 1 (one) year through self-assessment using an evaluation method in a system established in the Resolution of the Board of Commissioners, as an assessment material of the term extension of the Risk Management Committee members for the next year by using the following indicators:

a. General Indicators

1. Attendance at Committee meetings.
2. Mastery of materials to be covered.
3. Willingness to take the time and effort in fulfilling their duties and responsibilities as the Committee members.
4. Willingness to participate in activities outside of the office such as visits to the business units.
5. Quality and advice given in meetings.
6. Ability to apply knowledge and experience in order to increase the effectiveness of the Committee (according to the Committee in which the relevant person is a member).
7. Effectively analyzing and asking things necessary in order to ensure the information obtained.
8. Effectively and proactively following up on areas that are important and require attention.
9. Effectively able to cooperate with coworkers in the Committee in which he/she is a Committee member, with others supporting member the Board of Commissioners, and with the partners that directly or not directly relate to the Committee in which he/she is a member.

10. Ability to behave to encourage the creation of mutual trust and respect among members of the Committee.
11. Ability to actively undertake continuous learning to improve knowledge and skills, and always following the development of the relevant industries and markets for ANTAM.
12. Ability to communicate with fellow members of the Committee within the Board of Commissioners.
13. Knowledge and understanding of the Vision, Mission and Strategic Plan of ANTAM as outlined in the Company's work plan and budget (RKAP) and Company's long term plan (RJPP) and able to give an input related to the vision, mission, strategic plan, RKAP and RJPP.
14. Ability to meet the provisions contained in the ANTAM's code of conduct.
15. Ability to demonstrate high integrity.
16. Ability to maintain confidentiality.
17. Ability to demonstrate a desire to improve the management of ANTAM.
18. Ability to represent and maintain the Company's image.
19. Willingness to accept special assignments given by the Board of Commissioners and provide report to the Board of Commissioners fully and timely..
20. Contribution in making minutes of meetings, quarterly reports, annual reports, and preparation of quality reports to the Board of Commissioners.
21. Ability to provide inputs to the Board of Commissioners completely and timely.
22. Ability to provide inputs in the preparation of Work Program of the Committee completely and timely.

b. Specific Indicators

1. The quality of review conducted and recommendations given to the effectiveness of risk management undertaken by the Risk Management Division.
2. Monitoring on the implementation of risk mitigation by relevant work units, and implementation of Risk Management Committee's recommendations by the Risk Management Division.
3. Contribution in evaluation and analysis of Company's Work Plan & Budget (RKAP) and Company's Long Term Plan (RJPP) proposals proposed by the Board of Directors.
4. Review conducted on risk information and risk management of ANTAM, which has been applied in the reports to be published.
5. Contribution in the preparation of criteria and competencies of risk management consultant to be employed.
6. Oversight of performance of the risk management consultant.
7. Self-evaluation and self-improvement conducted on the effectiveness of implementation of the Risk Management Committee duties and Risk Management Committee Charter.
8. Contribution in studying the functions of the Risk Management Division in coordination, implementation, and monitoring of effectiveness level of each ERM component in ANTAM.

9. Contribution in reviewing the effectiveness of ERM each component that has been applied in ANTAM.
10. Input given to the Risk Management Division.
11. Review on design and implementation of risk management policies and procedures in ANTAM.
12. Evaluation of policies and annual work plan of the Risk Management Division.
13. Contribution in identifying ANTAM activities that have high risks and an analysis of the required mitigation measures.
14. Reporting to the Board of Commissioners in relation to risk management and internal control in ANTAM.

Chapter III

Duties, Responsibilities and Authorities

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.

To act efficiently and effectively, Risk Management Committee's duties, responsibilities, and authorities are set as below.

3.1 Duties and Responsibilities

To carry out their responsibilities, the Risk Management Committee shall determine the scope of work, which includes the following:

3.1.1 Main Duties

- a. Conducting review and providing recommendations on the effectiveness of the Company's risk management carried out by the Risk Management Division through regular meetings and other ways to discuss the progress of stages of duties and responsibilities performed by the Risk Management Division.
- b. Reviewing the risk assessment by the Risk Management Division of the Company's material investment plan.
- c. Exercising supervision over the activities of the Risk Management Division in monitoring the implementation of risk mitigation by relevant work units.
- d. Exercising supervision over the implementation of the Risk Management Committee's recommendations by the Risk Management Division.
- e. Performing an analysis and evaluation of the proposed Action Plan and Budget (RKAP) and an annual review of the Company's Long-Term Plan (RJPP) proposed by the Board of Directors.
- f. Reviewing risk information and risk management in the Company's reports to be published, through the following process:
 1. Discussion with the management;
 2. Reviewing the draft of reports to be published.
- g. Discussion on important risks at units within the Company, as required including risk on agreements with third parties are within the scope of the supervisory authority of the Board of Commissioners.
- h. In the event the Board of Directors deems it necessary to use an independent risk management consultant to conduct a review of the risk management process applied to the Company, the Risk Management Committee is in charge of:
 1. Providing input on criteria and competencies of the consultant;
 2. Monitoring the consultant work through the Risk Management Division.

3.1.2 Implementation of Special Assignments

- a. Special assignment to the Risk Management Committee assigned by the Board of Commissioners is made through a written order, which among others states:
 1. Name of Risk Management Committee members assigned for duties;
 2. Nature and scope of work;
 3. Purposes and objectives of the work;
 4. Period of assignment, and
 5. Administrative matters relating to the special assignments.
- b. Special assignments may include, but are not limited to, an investigation of an alleged error in any resolution of the Board of Directors' meeting or irregularity in the implementation of any resolution of the Board of Directors' meeting in relation to their duties and responsibilities.
- c. The Risk Management Committee shall submit a report on the execution of special assignments with a maximum level of confidentiality, which is limited to members of the Risk Management Committee and the Board of Commissioners.

3.1.3 Performance of Self-Assessment on Implementation of Risk Management

Committee Duties

The Risk Management Committee shall conduct self evaluation and self-assessment on the effectiveness of execution of their duties, and periodically update the Risk Management Committee Charter.

3.2 Authorities and Mechanism of Action

- a. The Risk Management Committee works collectively, and is independent in carrying out their duties;
- b. Based on a written assignment letter from the Board of Commissioners, the Risk Management Committee may access the Company's accounts or information about employees, funds, assets, and other resources related to performance of their duties;
- c. In implementing authorities as provided in point a above, the Risk Management Committee shall work in collaboration with partners including: Supporting bodies of the Board of Commissioners', relevant teams at management level, Internal Audit, Risk Management Division and Company's relevant operating units;
- d. Mechanism of action as referred to in point b shall follow the working procedures in accordance with applicable regulations;
- e. If required, the Risk Management Committee may hire experts and or consultants to assist them upon the Board of Commissioners' written consent at the expense of the Company;
- f. If required, in carrying out their duties, the Risk Management Committee may establish an ad-hoc team, with criteria and assignment period as per the needs and type of work;
- g. The Risk Management Committee have authority to communicate directly to the employees including Board of Directors and those who related to the duties.

- h. Obtaining input from external parties / independent professionals in the discharge of duties and increasing the skills of Risk Management Committee if necessary at the expense of the Company;

3.3 Ethical Code of Confidentiality

- a. Risk Management Committee members who are serving, or who have not served as members of the Committee, shall maintain the confidentiality of documents, data, and information obtained by the Company while serving as members of the Committee, from both internal and external parties, and the same shall only be used for the purposes of performance of their duties;
- b. Committee members are prohibited from abusing important information relating to the Company for personal gain;
- c. Committee members in carrying out their duties and responsibilities are required to comply with Corporate Code of Conduct and prohibited from taking personal advantage, either directly or indirectly, from the Company other than the honoraria and other allowances and facilities.

3.4 Accountability

- a. The Risk Management Committee shall be responsible to the Board of Commissioners.
- b. Accountability of the Risk Management Committee shall be submitted to the Board of Commissioners in the form of the following reports:
 - 1. Performance report and Quarterly activity implementation of the Committee.
 - 2. Annual activity implementation and performance reports of the Committee.
 - 3. Field visit reports which contain, among other things, filed findings or facts, evaluation, analysis, conclusions and suggestions.
 - 4. Specific task implementation report.

Chapter IV

Meetings, Reporting and Budgeting

4.1 Committee Meetings

1. The Risk Management Committee shall hold meeting at least twice a month to complete the Risk Management Committee Work Program, plenary (full) meeting and special meeting of the Risk Management Committee.
2. Plenary (*full*) meeting can only be hold if it is attended at least 1/2 member of committee that are/are not member of the Board of Commissioners.
3. If deemed necessary, the Committee may invite other parties related to the meeting materials to present at the meeting on acknowledgment of the relevant members of the Board of Directors.
4. Committee meeting shall be presided over by the Committee Chairman. If the Committee Chairman is unable to attend, the meeting shall be presided over by the Committee Vice Chairman. In case the Committee Chairman and the Committee Vice Chairman are unable to attend the meeting on the time specified to start the meeting as per the invitation, with the permission of the Committee Chairman, the meeting can be temporarily presided over by the oldest member of the Committee. Where a meeting cannot be attended by the Chairman and/or Vice Chairman or one of the member of the Board of Commissioners, it must be cancelled.
5. Besides the plenary (full) meeting, the special meeting is conducted to discuss the follow-up of the plenary (full) meeting and/or discuss the data and information needed by the Risk Management Committee in performing the duties and their responsibilities, with the following considerations:
 - a. Special meeting of the committee conducted at least once in a month;
 - b. Special meeting of the committee shall be attended by all of the risk management committee who are not the member of the board of commissioners;
 - c. Special meeting of the committee shall be presided by the oldest member of the risk management committee;
 - d. If deemed necessary, in special meeting of the committee may invite management to clarify and present the data needed by the risk management committee related to the duties and responsibilities.
6. The Summon for the plenary (full)/special meeting shall be conducted by the Committee Chairman. In the event the Committee Chairman is indisposed, then the summons for the meeting shall be conducted by the Committee Vice Chairman who is appointed by the Committee Chairman.
7. Summons to a meeting shall be made at least 14 (fourteen) days and in case of urgent situation, at least 3 (three) days before the date of the meeting, stating the meeting's day, date, hour, place and agenda to be discussed and convened at the Company's domicile or other places within the territory of the Republic of Indonesia as agreed.
8. For a plenary (full) meeting presided over by Committee Vice Chairman as referred to in point 4, resolutions of meeting proposal must be approved by the Committee

Chairman.

9. Resolution of the Risk Management Committee Meeting are taken by consensus.
10. Resolutions of the Committee Meeting which, according to the Committee Chairman, are strategic, shall only be effective if they have been decided by a meeting of the Board of Commissioners.
11. Everything discussed and decided in the Committee meetings, including any dissenting opinions, shall be stated in the Minutes of Meeting that is signed by all members of the Committee who present, as valid evidence on the resolutions adopted in the meeting. For minutes of meeting of special meeting of the committee signed by the member of committee who attend the meeting and known by the chairman and vice chairman of the committee.
12. Each Committee member is given the widest possible freedom to express his/her professional opinion in discussion of each agenda of the meeting without any intervention from anyone.
13. Each member of the Committee shall express his/her agreement or disagreement and/or improvement proposal over Minutes of Meeting with considering the provision deadline of Minutes of Meeting delivery as stated in the Rules of Committee's meeting. If it gets with a deadline of 15 (fifteen) days after the meeting, there are no proposed changes, the Minutes Meetings shall be deemed approved by all members of the Committee.
14. Every member of the Committee is entitled to receive a copy of the Minutes of Meeting even if they are not present at the meeting.
15. Presence of members of the Committee at the meeting shall be reported in the quarterly report and the annual report of the Committee.
16. Number of meetings and attendance of each member of the Committee at the Committee meetings and a brief report of the Committee which contains important issues discussed by the Committee, shall be disclosed in the Annual Report;
17. The Committee Meeting Rules shall be stated in a separate rule.

4.2 Reporting

1. The Risk Management Committee shall be responsible to the Board of Commissioners and shall submit a report to the Board of Commissioners for each execution of duties, along with a recommendation if necessary.
2. The Risk Management Committee shall regularly make the Quarterly Report and the Annual Report in writing to be published in Company's annual report related to the duties and responsibilities, including the implementation of committee's activity and the performance achievements to the Board of Commissioners as stated on the Committee meeting rules
3. The Risk Management Committee shall make written report to the Board of Commissioners for the result of the Committee's activities, problems found, and other relevant recommendations including not later than 14 (fourteen) working days after the proposal/request and the document completely received by the Board of Commissioners. If up to the deadline 14 (fourteen) working days of the assignment,

there are no proposed changes to the report assignment, then the report shall be deemed approved by all members of the Committee.

4. The Risk Management Committee shall prepare Company's annual report materials related to practices of Risk Management in the Company to be used for the Company's Annual Report.
5. Reports of the Committee as referred to in items 1, 2, and 3 shall be signed by the Chairman, Vice Chairman, and members of the Committee.

4.3 Budgeting

1. Before the current financial year, the Risk Management Committee shall prepare and submit an annual work plan and budget to the Board of Commissioners for determination, which includes budgets for: honoraria, travel expenses, costs of training/attending seminars/workshops, consultant costs, etc;
2. Budget of the Risk Management Committee shall be submitted to and approved by the Board of Commissioners;
3. A copy of the work plan and budget of the Committee as referred to in paragraph (1) shall be submitted by the Board of Commissioners to the Board of Directors for acknowledgment;
4. Budget of the Committee shall be part of the Board of Commissioners' budget and to maintain the independence, the use does not require management approval;
5. Audit of the use of these funds is done by auditors appointed by the Company.

Chapter V Closing

Terms and Evaluation

1. This Charter shall be effective as of July 29th, 2016;
2. This Charter will be evaluated periodically for improvement;
3. Original Risk Management Committee Charter shall be presented to the Board of Directors for documentation.

Ratified: in Jakarta
Date : July 29th, 2016

PT ANTAM (Persero) Tbk
Board of Commissioners

[Signed]

Fachrul Razi
President Commissioner

[Signed]

Zaelani
Commissioner

[Signed]

Robert A. Simanjuntak
Commissioner

[Signed]

Bambang Gatot Ariyono
Commissioner

[Signed]

Laode M. Kamaluddin
Independent Commissioner

[Signed]

Hikmahanto Juwana
Independent Commissioner