

Risk Management Charter

The Risk Management Charter is enacted in the Decree of the Board of Directors no. 074 / skd / SKD / DIR-BOD / X / 07, regarding Ratification of the Risk Management Charter.

Risk Management Charter contains the following provisions:

a. Introduction

Risk Management is the top management's activities to identify, evaluate, mitigate, and monitor business risks the company deals with in the future. Risk Management forms an integral part of good corporate governance.

b. Vision and Mission

Vision

To make the leaders in PT Bakrieland Development Tbk to have deeper experience of the risks that the Company will be dealing with, so as to have the opportunity of making more appropriate decisions.

Mission

Adding the Company's value as strategic partner for the management through Risk Management activities.

c. General Policy of Risk Management

The sequence of Risk Management process steps are as follows:

- **Identifying the Risk (Risk Identification)**

Financial Risks

It consists of:

- Market Risks
- Liquidity Risks
- Capital Risks

Operational Risks

- Human Resource Risks
- Technology Risks
- Innovation Risks
- System Risks

Strategic Risks

- Business Risks

External Risks

- Environmental Risks
- Reputation Risks
- Legal Risks

The following is risk identification steps:

- Knowing where the risks are (place)
- Knowing what may happen (event)
- Knowing why something happens (cause)

- **Risk Measurement**
- **Accepting the Risk**
- **Treating the Risk**
- **Monitoring Risk Development**

d. The Purpose of Risk Management

- Achieving the Company's goals, and obtaining consistent business targets according to the Company's strategy which has been determined.
- Minimizing unexpected issues from operational losses.
- Preventing inconsistency in the policies, procedures, and the Company's.
- Ensuring that the eligibility of accounting records is managed and financial information is reliable.

e. Position of Risk Management

In order to maintain the independence and objectivity of Risk Management Division's role, the reporting of Risk Management deliverables shall be presented to the Risk Monitoring Committee.

f. The Role of Risk Management Division

- Preparing risk management policies /guidelines including the completion of risk management practices by identifying, evaluating, handling, and monitoring business risks the company will be dealing with in the future.
- Improving systematic decision-making methods and processes based on the availability of information.
- As strategic partner for management in performing risk and consulting functions in order to coordinate management activities with the company's vision, mission, and goals.

g. The Scope of Risk Management

There are 4 (four) key aspects included in the Risk Management as follows:

- Active supervision of the Board of Commissioners and Directors
- The adequacy of policies, procedures and setting of limits.
- The adequacy of risk measurement, monitoring and controlling processes as well as Risk Management information system
- Comprehensive internal controlling system

h. Risk Management Framework

- Understanding the Chain of Risks
- Understanding the situations or events that the company (working unit) has taken/performed
- Assessing existing risks and control
- Preparing the responds to existing risks
- Monitoring the risks and its management.

i. Benefits the Company May Gain by Performing Risk Management

- Managing the changes

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- Guaranteeing the Achievement of Goals
- Minimizing Possible Bankruptcy
- Increasing the share value in the long run
- Ultimately lowering capital costs

j. The Implementation Of GCG (Good Corporate Governance) Principles

In performing its functions, Risk Management Division cannot be separated from its efforts to implement GCG (Good Corporate Governance) principles.

k. Duties And Responsibilities Of Risk Management Division

To prepare risk management policies/guidelines including the completion of risk management practices

l. Authorities Of Risk Management Division

- Prepare Risk Management policies
- Have unlimited access to the entire information of the company and or physically review all assets of the company.

m. Responsibilities Of Management

The management of PT Bakrieland Development Tbk is responsible for ensuring that the Risk Management Division has obtained the data required and unlimited access to the entire information of the company and/or for physically reviewing all assets owned by the company.