



**PT Wintermar Offshore Marine Tbk**

("Company")

## **AUDIT COMMITTEE CHARTER**

### **Article 1 Purpose**

1. The Audit Committee is established in compliance with the Bapepam and LK No. IX.1.5 with reference to Attachment of Decree of Bapepam Chairman No. Kep-29/PM/2004 which renewed by No. Kep 643/BL/2012 dated December 7, 2012 regarding Audit Committee Establishment and Operational Guidance.
2. The Audit Committee Charter will be used as a guide for the Audit Committee regarding establishment foundations, member's criteria, duties and responsibilities, policies and work execution.
3. The Audit Committee is established by and responsible to the Board of Commissioners.
4. The Audit Committee is appointed to assist the Board of Commissioners in fulfilling its corporate governance and oversight responsibilities in relation to the Company's financial reporting process, the risk and control management process, the good corporate governance process and the internal and external audit functions. In doing so, it is the responsibility of the Committee to maintain free and open communications between the Audit Committee, Board of Commissioners, Management of the Company, Internal Auditors, and External Auditors.
5. The Audit Committee also is intended to oversee the effectiveness of the Company's internal controls and risk management.
6. The Audit Committee Charter will be reviewed on an annual basis and will be amended as it is deemed necessary.

**Article 2**  
**Audit Committee Member Requirements**

1. Members of the Audit Committee have to be independent and are chaired by the Independent Commissioner. The Audit Committee Chairman is appointed by the Board of Commissioners. The criteria of independence for the Chairman and members of the Audit Committee are as follows:
  - a. Is not a person who belongs to or is associated with a Public Accountant Office, legal advisor or other parties that have provided audit or non-audit services to the Company in the last 1 (one) year before being appointed by the Board of Commissioners.
  - b. Is not a person who has the authority and responsibility in planning, coordinating and controlling the Company's activities within 1 (one) year before their appointment by the Board of Commissioners, except such person is the Independent Commissioner.
  - c. Does not have:
    - A family relationship through marriage or a second level descendant, either indirect or direct with members of the Board of Commissioners and Directors or controlling shareholders of the Company; and or
    - A business relation, either direct or indirect with the Company's business activities.
2. One of the Audit Committee members must have expertise and experience in finance and be able to analyse the company's financial statements. The member of the Audit Committee also must understand and be familiar with regulations pertaining to the Company's business activities;
3. To comply with the Bapepam and LK Rules No. IX.I.5 Attachment No. Kep-643/BL/2012, the Audit Committee will comprise of at least 3 (three) members which consists of the incumbent independent commissioner and 2 (two) other independent members.
4. The assignment period of a member of the Audit Committee is the same as for members of the Board of Commissioners, and does not exclude the right of the Board of Commissioners to terminate at anytime, and such member can be re-elected for another subsequent 1 (one) period.

5. The following instances justify pre-termination or non-extension of the Audit Committee membership:
  - a. When an Audit Committee member becomes the subject of an on-going investigation involving fraud, criminal offense or bankruptcy.
  - b. When an Audit Committee member loses his independence, in accordance with the criteria specified in the Bapepam and LK Rules No. No. IX.1.5 Attachment No. Kep-643/BL/2012.

### **Article 3 Audit Committee Authority**

1. In implementing its duties, the Audit Committee has the authority to have full and free access, and without any restriction but acting within reasonable boundaries to the Company's records, employees, funds, assets, as well as the Company's other resources.
2. In carrying out its duties, the Audit Committee may work together with the Company's internal audit division, and such internal audit division is required to provide such reports and information as requested by the Audit Committee.
3. The Audit Committee also has the authority to obtain external independent advice and/or counsel on legal or other relevant field as is deemed necessary at the expense of the Company.

### **Article 4 Duties and Responsibilities**

The Audit Committee has the following duties and responsibilities:

1. Provide an opinion to the Board of Commissioners in relation to the annual report or other matters submitted by the Board of Directors to the Board of Commissioners and identify matters that require the attention of the Board of Commissioners.
2. Review the Company's financial statements that will be published to the public. The following are matters that must have the Audit Committee's attention:
  - a. The Company's accounting policies and practices and any changes;

- b. Unusual transactions that affect the financial statements and how they are disclosed by the management.
  - c. Clarity of disclosure;
  - d. Significant adjustments due to the audit;
  - e. Conformity and compatibility with Indonesia accounting standards;
  - f. Conformity with the capital markets rules and regulations.
3. Review the Company's compliance with the capital market rules and other related laws and regulations.
4. Review the execution of the external auditor's examinations in relation to the Company's financial statements review and audit. The following are matters that must have the Audit Committee's specific attention:
  - a. Supervise communication between the Company and its auditor;
  - b. Provide opinions and recommendations to the Board of Commissioners in relation to the appointment, reappointment, and termination of the external auditor;
  - c. Provide views on the terms of engagement of the external auditor as to their services;
  - d. Assess the qualifications, expertise and man power capacity, effectiveness and independency of the external auditor (annually);
  - e. Before the audit process begins, together with the external auditor, discuss the scope of the audit that will be implemented;
  - f. Analyze with the external auditor the audit findings, including significant findings that arose during the audit process, either findings that have and have not been resolved, level of errors found during the audit process, and request explanations from the management and the external auditor if there are errors that have not been adjusted;
  - g. Review the external auditor reports, especially on aspects that have not satisfied reporting standards, before submission to the Board of Directors and the Board of Commissioners;

- h. Assess the effectiveness of the external auditor's work in the following manner:
- Review whether the external auditor has fulfilled the agreed audit plan, understood all the adjustments including the audit risks and mitigating steps taken by the external auditor;
  - Take notice on the external auditor's accuracy and preciseness with regard to key accounting and audit judgements found and in responding to the Audit Committee's questions and inputs from them in relation to internal controls, if any;
  - Request feedback from key persons involved in the audit process.
- i. Review and monitor the content of the external auditor's management letter with the objective to assess whether the topics are based on adequate understanding of the Company's business operations and ensure the recommendations have been carried out by management and reasons, if they were not implemented;
- j. Recommend policies to the Board of Commissioners regarding the provision of non-audit services by the external auditor to the Company to ensure such services do not violate independency and objectivity of the external auditor in carrying out the audit of the Company.
5. Perform review on the effectiveness of the internal control. Notify the Board of Commissioners of the various risks faced by the Company and the implementation of risk management by the Board of Directors. In relation to the review of the Company's internal control and risk management, the following are matters that must be specifically noted by the Audit Committee:
- a. Review the Company's procedures to detect fraud and theft in relation to the financial statements and financial control;
  - b. Review internal audit reports regarding effectiveness of internal control systems, financial statements, and risk management;
  - c. Monitor integrity of the financial control system of the Company;
  - d. Review the Company's annual report with respect to the Company's internal control framework and risk management;

- e. Assess and provide input to the Board of Commissioners on the scope and system effectiveness which was developed by the management to identify, gauge, manage and monitor financial and non financial risks of the Company;
  - f. Review the internal audit work program and ensure that there is adequate man power for internal audit and ensure that internal audit has a proper position in the Company's organization;
  - g. Request regular audit reports done by internal audit;
  - h. Review and monitor management responses on internal audit findings and recommendations;
  - i. Monitor and assess the effectiveness of the internal audit function in the context of overall Company's risk management.
6. Asses claims related to the accounting process and financial reporting of the Company.
  7. Report to the Board of Commissioners and review any lawsuits, litigations and/or claims faced by the Company.
  8. Asses and provide input to the Board of Commissioners related to the potential conflict of interest of the Company
  9. Maintain confidentiality on the Company's documents, data and information.

#### **Article 5 Meetings**

1. The Audit Committee shall meet at least 4 (four) times annually, or more frequently if deemed appropriate to carry out its duties and responsibilities.
2. The participants of the meetings are the Audit Committee members, senior management (the Company's directors), the internal auditors, the external auditors, and any others who are considered familiar with or responsible for topics on the meeting agenda.
3. To confirm all scheduled meetings, written notices shall be sent by e-mail or by fax or telephone and SMS to all Audit Committee members at least 5 (five) working days before the date of any scheduled meeting.

4. A majority of the Audit Committee members shall constitute a quorum. The Chairman of the Committee in consultation with the other Committee members will set the meeting agenda.
5. The Audit Committee may periodically meet separately with the external auditors, the internal auditors or any other relevant parties within or outside the Company as it deems appropriate to discuss any matters that the Audit Committee deems necessary.
6. Significant matters discussed during the meetings shall be summarized in minutes signed by the Audit Committee Chairman together with at least 1 (one) Committee member as required by the Bapepam and LK Rules No. No. IX.I.5 Attachment No. Kep-643/BL/2012.
7. For efficiency, the said minutes shall also constitute the Audit Committee report to the Board of Commissioners and the Board of Directors. For specific cases, the Audit Committee may issue a separate confidential report to the Board of Commissioners.

#### **Article 6 Reporting**

1. The Audit Committee is required to make an annually reporting of implemented activity of Audit Committee which being disclosed in the Annual Report of the Company.
2. The Company is required to submit to OJK (previously named Bapepam – LK), information regarding the appointment and the dismissal of Audit Committee within not later than 2 (two) working days after the appointment or the dismissal.
3. Information regard to the appointment and the dismissal as stated in the Point 2 of this Article required to be posted in the website of Stocks Exchange and/or the website of the Company

#### **Article 7 Work Evaluation**

1. The Audit Committee is required to perform a self assessment on a yearly basis on its effectiveness and performance of its duties and responsibilities.
2. Assessment of the Audit Committee performance is also done by the Board of Commissioners regularly each year and may be assisted by an independent third party.

**1 November 2013**