



PT Wintermar Offshore Marine Tbk

("Company")

Internal Audit Charter

I. Introduction

As stated in the regulation, namely the Regulation of Financial Services Authority, No: 56/POJK.04/2015, that it stipulated on December 23, 2015 and enacted on December 29, 2015 regarding the establishment and guidelines for preparing Internal Audit Charter, Issuer or public company shall have Internal Audit and Internal Audit Charter.

Internal Audit Charter is a document consists of and explains the existence of Internal Audit function in PT. Wintermar Offshore Marine Tbk (Company) and its subsidiaries. Internal Audit Charter includes vision and mission, duties and responsibilities of Internal Audit, authority of Internal Audit, work scope, Internal Audit Ethical Code referring to codes established by Internal Audit association in Indonesia or internationally prevailing Internal Audit ethical code, Internal Audit structure and position, accountability of Internal Audit, prohibition of dual duties, positions and executives within Internal Audit from implementation of operational activities of the company and its subsidiaries.

Internal Audit Charter will be setting the base for task execution of Internal Auditor and socialized to all elements within the company, its subsidiaries and other related parties, in order to gain comprehension, understanding and good cooperation in achieving the goals and objectives of the company.

Internal Audit is a part of the company which functions as independent and objective assurance and consultant.

II. Vision

Becoming a dedicated, professional Internal Auditor and in accordance with the goals and objectives of the company to create Good Corporate Governance.

III. Mission

Conducting independent assurance and consulting activities aiming to increase value and improve company's operations through systematic approach by evaluating and increasing the effectiveness of risk management, control and corporate governance of the company in achieving its goals and objectives.

IV. Duties and Responsibilities

Duties and Responsibilities of Internal Audit are as follow;

1. Arranging Annual Internal Audit Work Plan based on result of risk analysis and / or relevant and proportional request on issues encountered by the Company in achieving business strategy from management. In this case, Internal Audit could coordinate and consider input from Managing Director and Audit Committee for drafting the strategy.
2. Checking and assessing efficiency and effectivity (operational and cost effectiveness) on finance, accounting, operational, human resources, marketing, information technology and other activities in achieving established mission, goals and strategies.
3. Contributing on effective increase of control by conducting review and evaluation against internal control on every activity unit in the environment of the Company and its subsidiaries.
4. Preparing and conducting specific audit (investigation audit / special audit), specifically on instruction of Managing Director, and / or Board of Commissioner and / or management request with the approval of Managing Director.
5. Providing recommendations for improvement and objective information regarding activities examined on every level of management, in accordance with system improvement or enhancement, procedure, budget and policies.
6. Preparing Audit Result Report and communicating it to Managing Director and Board of Commissioner
7. Monitoring, analyzing and reporting suggested implementation of follow-ups.

V. Authority

To ensure the duties and responsibilities of Internal Audit could be carried out with optimum result, Internal Audit is given the authority to:

1. Determine strategy, scope, method and frequency of internal audit independently.
2. Collect and access information from all work unit and employees within company environment and its subsidiaries. This information could be documents, records or information and other data which are valid and relevant with the related work unit or employee.
3. Collect information from professional interviewees / experts related with audit process against company and its subsidiaries / work unit / employee.
4. Conduct physical observation on all company assets.
5. Communicate directly and hold regular or incidental meeting with Board of Directors, Board of Commissioners and Audit Committee.
6. Cooperate with Audit Committee.
7. Conduct audit on every element in the company and its subsidiaries, work unit and / or employee.
8. Conduct investigation audit assignment without communicating the investigation audit assignment to other parties within the Company and its subsidiaries. Nevertheless, Internal Audit still communicates with Managing Director or Board of Commissioners and Audit Committee.
9. Coordinate his activities with External Auditor activities.

VI. Work Scope

In practice, work scope of Internal Auditor includes the following aspects:

1. Evaluating the effectiveness and sufficiency of control conducted by the company / its subsidiaries / work unit.
2. Risk Management, evaluating effectiveness and sufficiency of risk management carried out by the Company and its subsidiaries.
3. Governance Process, evaluating effectiveness and sufficiency of company assessment and its subsidiaries against Good Corporate Governance and its sustainability.

VII. Ethical Code

Internal Auditor has to be firm with and obey the Ethical Code of Standard Internal Auditor Behavior as follow;

1. Behave and be honest, independent, objective, careful, earnest and always apply due professional care in carrying out tasks.
2. Possess high integrity and loyalty towards profession, company and Internal Audit Unit. However. Internal Audit shall not be consciously involved in unlawful activities.
3. Avoid activities or acts which are harmful or suspected to be detrimental to the profession of Internal Audit and / or Company and its subsidiaries.
4. Avoid duality of duties, responsibilities, and authority on operational activities implementation within the Company and its subsidiaries.
5. Avoid and refrain from activities which are contradictive against the interest of the company (conflict of interest) or causing the inability to carry out duties objectively.
6. Refuse any gift in any form from anyone, directly or indirectly, including assignment object such as; employee, client, customer, supplier, counterparty and / or parties concerned with the company that may or suspected to interfere with auditor's professional judgement.
7. Internal Audit solely conduct services related to audit which could be solved with his professional competence.
8. Exert every effort to obey the Professional Standard of Internal Auditor, Company Policies and Regulations.
9. Not use nor reveal obtain information for personal interest or gain and others, which could lead to or suspected to lead to losses for the company financially or to the image of the Company and its subsidiaries unless it is in accordance with stipulation, procedure and prevailing regulations.
10. Report the result of all material-related assignment by revealing the truth according to existing facts and not hiding issues that could inflict loss to the company and / or be suspected as violation of law or regulations.
11. Internal Auditors are required to always improve their skills. Effectiveness and quality of task execution. Internal Auditor is required to attend continuous professional education.

VIII. Internal Audit Position

1. Internal Audit is led by Head of Internal Audit Unit who is responsible to Managing Director. If the Internal Audit Unit consists of one Internal Auditor, the Internal Auditor will act as the Head of Internal Audit Unit as well.
2. Head of Internal Audit Unit is appointed and dismissed by Managing Director with the approval of Board of Commissioners based on the recommendation from Audit Committee.
3. Internal Auditor in Internal Audit Unit is directly responsible to the Head of Internal Audit Unit.
4. Every appointment, replacement or dismissal of Head of Internal Audit is immediately reported to Financial Services Authority.

IX. Relation between Internal Audit and Audit Committee

1. Annual Internal Audit Work Program and Planning are communicated and approved by Managing Director and Audit Committee.
2. Every result report of audit, both in draft and final form and result of follow up conducted by auditee / management, shall be reported by Internal Audit to Audit Committee regularly.
3. Every result of assignment is communicated to Audit Committee.
4. Internal Audit assists Audit Committee in examining internal control effectiveness, corporate governance and risk management within the Company and its subsidiaries.

X. Requirements of Auditor in Internal Audit Unit

1. Possess integrity and professional behavior, independent, honest and objective in carrying out his/her duties.
2. Possess knowledge and experience in audit technicality and other disciplines related to his/her field of duty.
3. Possess knowledge on legislation of capital market and other related legislation.
4. Possess interaction and communication skills, in verbal and written effectively.

5. Required to obey profession standards and ethical code established by Internal Audit Association.
6. Required to maintain confidentiality of information and / or data of the Company related to implementation of duties and responsibilities of Internal Audit Unit, unless required by legislation or court order.
7. Understand principles of Good Corporate Governance and risk management; and
8. Always improve knowledge, skills and professional capability continuously.

XI. Relation between Internal Audit and External Parties

1. Work relationship between Internal Audit with External Audit has to be acknowledged and approved beforehand by Audit Committee
2. Work relationship between Internal Audit with other external parties has to be approved by Managing Director and has to consider input and / or professional opinion from Corporate Legal or other competent parties.

XII. Management Responsibility

In this matter, the management of PT. Wintermar Offshore Marine Tbk and its subsidiaries are responsible to:

1. Ensure that Internal Audit obtain needed information and unlimited access toward company information as long as it is within the area of examination.
2. Implement internal control on each work unit within the company environment.

XIII. Conclusion

Corresponding to the development of time and the dynamics of the company, this Internal Audit Charter may be revised and adapted according to possible needs and changes.

25 January 2016