

MEMORANDUM

No. Surat : 040/IE/CSL/MEM/IV/2019
 Tanggal : 6 Maret 2019
 Lampiran : 1 (satu) eksemplar
 Dari : Adi Pramono, Corporate Secretary PT Indika Energy Tbk.
 Kepada : Agus Lasmono, Komisaris Utama PT Indika Energy Tbk.
 Richard Bruce Ness, Wakil Komisaris Utama PT Indika Energy Tbk.
 Indrachya Basuki, Komisaris PT Indika Energy Tbk.
 M. Chatib Basri, Komisaris Independen PT Indika Energy Tbk.
 Boyke W. Mukiyat, Komisaris Independen PT Indika Energy Tbk.
 Perihal : **Project and Investment Committee Charter**





Dengan hormat,

Bersama ini kami sampaikan Project and Investment Committee Charter PT Indika Energy Tbk. untuk dapat Bapak-Bapak tandatangani.

Threshold dalam Charter ini telah disetujui Dewan Komisaris dan Direksi sesuai Keputusan Dewan Komisaris No.011/IE/BOC/DEC/VIII/2018 dan Keputusan Direksi No.010.1/IE/BOD/DEC/VIII/2018 tertanggal 13 Agustus 2018.

Terima kasih.

Hormat kami,
Adi Pramono

Disiapkan oleh:		Diperiksa oleh:	
			
Adi Pramono	Dian Paramita	Kamen K. Palatov	Purbaja Pantja
Tanggal:	Tanggal	Tanggal	Tanggal

PT INDIKA ENERGY TBK.
Project & Investment Committee Charter

31 October 2018

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I. PREFACE

The initiative to form the Project and Investment Committee (the “**PIC**”) evidences the commitment of PT Indika Energy Tbk. (the “**Company**”) to apply good corporate governance to ensure the implementation of transparency, accountability, responsibility, independency and fairness principles that are inspired by the Company’s values and ethics.

The PIC assists the Board of Commissioners (“**BoC**”) in its supervisory and advisory functions to ensure transparency and objectivity related to the proposed company’s projects and investment portfolios.

We believe that an effective PIC will enhance the transparency of the internal control of the Company, so that the proposed company’s projects and investment portfolios align with the company’s strategy, planned and budget.

The PIC Charter is a living document that can be reviewed, updated and amended periodically when it is deemed necessary in anticipating the changes to the condition of the Company and/or the prevailing laws and regulations.

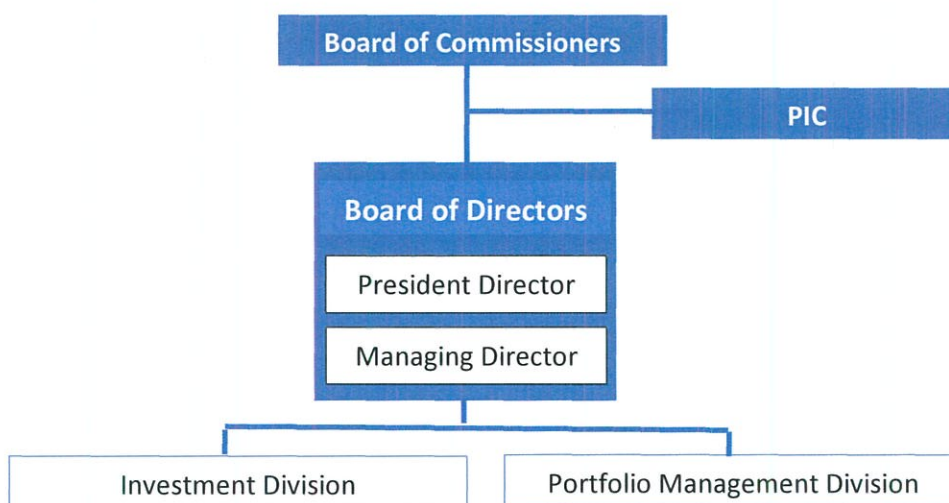
II. OBJECTIVES AND PURPOSES

This PIC Charter provides guidelines and clarifies the function, duties responsibilities of the PIC of the Company, as well as the criteria for membership, meetings and the annual work plan. This PIC Charter also provides the mechanism for the Board of Commissioners to ensure that the PIC performs its function effectively, professionally and independently.

PIC should uphold the good faith, accountability, professionalism and prudent principles in conducting its tasks.

III. ORGANIZATION

3.1 Organization Structure of PIC



3.2 Organization Structure of PIC

Appointment and Dismissal

Board of Commissioners (“**BoC**”) appoint, assign and dismiss the PIC members.

PIC Composition

1. The PIC shall consist of at least 3 (three) members. At least 1 (one) of the PIC member is the member of the BoC.
2. The composition of the PIC is determined by the BoC with reference to the vision, mission, and strategy of the Company to ensure the capacity to provide input effectively.
3. If one of the PIC members resigns before completing his/her term of service, the BoC shall appoint a replacement to become the new member of the PIC. The term of the new appointed member of the PIC shall be the remaining term of the resigning members of the PIC.

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3. If one of the PIC members resigns before completing his/her term of service, the BoC shall appoint a replacement to become the new member of the PIC. The term of the new appointed member of the PIC shall be the remaining term of the resigning members of the PIC.
4. The PIC may request assistance of other person who is deemed qualified by the member of the PIC as secretary of the PIC provided that the person appointed shall keep the information received confidential.

The secretary of the PIC shall prepare the minutes of meeting and compile as well as provide any document(s) required by the PIC.

Competency and Independency Requirements for the PIC

1. For the appointment of the PIC member(s), the BoC shall take into account the integrity, capability, dedication, knowledge, experience, and understanding of the candidate towards the management and business of the Company.

2. Members of the PIC must have sufficient knowledge of the duties and responsibilities of the PIC, prevailing laws and regulations related to Company's operations and financial matters.
3. All members of the PIC must take an independent stance, moral integrity and professionalism and be capable of implementing assigned duties independently solely for the interests of the Company, regardless of influence exerted by various interested parties that could lead to conflict of interest with other parties.
4. Members of the PIC:
 - (a) shall not have any conflict of interests, either directly or indirectly. This conflict of interests, include, among other the share ownership in the Company;
 - (b) shall be serving as member of the Board of Directors ("**BoD**") and/or employee of the Company;
 - (c) shall comply with Company's Code of Business Conduct; and
 - (d) is not an insider of a Public Accountant Public, Law Office, Independent Appraisal or other parties that provide assurance services, non-insurance services, appraisal services and/or other consultancy service to the Company in the last 6 months prior to his/her appointment.
5. All members of the PIC must submit a written statement concerning all matters that may constitute or have the potential to give rise to conflict of interest in the future, and must also state willingness to obey all prohibitions as set herein.

3.3 PIC Term of Service and Honorarium

Term of Service of the PIC Members

1. The member of the PIC is appointed for two years, but shall not exceed the term of the BoC who appoint them, and can be reappointed.
2. The BoC reserves the right at any time to dismiss the member of the PIC PIC after considering the performance and effectiveness of the PIC. The BoC shall immediately appoint a successor for the remaining term of service.

Early Dismissal	PIC Committee member can be dismissed before the end of the term if the member of the PIC becomes a suspect of an investigation relating to dishonesty, criminal act or financial bankruptcy;
Honorarium	Honorarium of the PIC members will be decided by the Board of Commissioners.

3.4 Cost Incurred by PIC

Cost	Any cost incurred by PIC in relation to PIC Committee shall be borne by the Company.
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IV. DUTIES, RESPONSIBILITIES AND AUTHORITIES

4.1 Duties and Responsibilities of the PIC

4.1.1 The PIC's main duties and responsibilities are to assist the BoC in its supervisory duties related to the Company's planning as well as investment and the risk related thereto, including the following:

Review Implementation of the Strategic Objective	Provide oversight of management's project and capital investment priorities and major expense commitment plans that are intended to implement the Company's strategic objectives.
Risk to Project & Investment	Review, identify and analyse risk and return from the proposed project and/or investment, divestment, restructuring/corporate action, long term/short term loan, granting security/liens/guarantee and/or issuance of the Company's securities.
Infrastructure Resource Review	Provide oversight of management's resource allocation plans with respect to Company's infrastructure requirements, including with respect to the plans for meeting such requirements through capital investments, significant increases in human resources or other expense commitments, or through reliance on third parties, whether through a contractual arrangement, joint venture or otherwise.
Project / Investment Performance	Review performance objectives used by management to evaluate the effectiveness of the Company's project, capital investments and major expense commitments.
Project and Investment Strategies	Review management's plans for project, business development, business acquisitions and other significant business relationships, including alignment of opportunities with Company's strategic objectives, expected return on project/acquisition/investment opportunities and post-acquisition integration and performance of the project or acquired businesses.

- 4.1.2 The primary responsibility for the project and investment of the Company, including preparation and monitoring of the proposed project and/or investment, divestment, restructuring/corporate action, long term/short term loan, granting security/liens/guarantee and/or issuance of the Company's securities, rests with the BoD. The responsibility of the PIC is to undertake, review, identify and analyse the above-mention matter and to provide recommendation to the BoC.
- 4.1.3 Each of the members of the PIC shall maintain confidentiality of any information which has not been disclosed to the public related to proposed project and/or investment, divestment, restructuring/corporate action, long term/short term loan, granting security/liens/guarantee and/or issuance of the Company's securities and/or all other information, data and documents that he/she may receive and/or are obtained and/or handled within the process of carrying out assigned duties and functions (the "**Confidential Information**") and shall not use such Confidential Information for any purposes other than for the purpose and/or benefit of the Company.

No member of the PIC will disclose any of Confidential Information to a third party or otherwise seeks to exploit any Confidential Information without obtaining prior written consent of the BoC of the Company, provided that this undertaking shall not apply to information which:

- (a) was known to the recipient prior the recipient receive any of the Confidential Information from the Company; or
 - (b) has become publicly know through no wrongful act of the recipient; or
 - (c) was received by recipient from a third party without restriction as to the use and disclosure of the information; or
 - (d) was independently developed by recipient without use of the Confidential Information; or
 - (e) was ordered to be publicly released by the requirement of a government agency.
- 4.1.4 In carrying out its responsibilities, the PIC shall work independently and shall honour and maintain moral integrity, professionalism, and Company's code of conduct. In carrying out its responsibilities, the PIC shall honour and maintain moral integrity, professionalism, and Company's code of conduct.

4.2 Authorities of the PIC

Access to Document, Data and Information

The PIC has unlimited authority and in timely manner access to information on all of the Company's policies related to the project and investment, and information regarding to funds, assets, and other resources of the Company which are related to implementation of the PIC responsibilities.

To enable the PIC in carrying out its duties and responsibilities, the PIC shall receive and may request the BOD to provide the following documents:

The PIC may request the BoD of the Company to provide and elaborate the and/or project/investment proposal from the Company and/or other transactions as defined in the Appendix "I" of this

Charter that is intended to be made by the Company

- (a) Annual Business Plan (ABP); and
- (b) Project/investment proposal describing any business development and/or the investment, corporate actions, material projects, funding activities, including the risk and return and the possible risk mitigation.

Communications	Communicate directly with the Board of Directors, Investment function, Portfolio Management function and employees of the Company in relation to the duties and responsibilities of the PIC.
Independent Party	Involve any independent party as required to support the duties (if needed) at the cost of the Company.
Ad-hoc Team	If required in carrying out the duties, PIC may establish an ad-hoc team, with the criteria and period of assignment in accordance with the needs and types of work.
Other Authorities	Exercise the powers granted by the Board of Commissioners, as may be granted in writing from time to time.

V. WORKING PROCEDURES

Program and Procedures	To fulfil its duties and responsibilities, PIC shall, among others, conduct meetings of the PIC.
Secretarial Matters	PIC will be assisted by the BOC Secretariat who will perform secretarial matters, including as follow: <ul style="list-style-type: none">(a) Arranging meeting schedule;(b) Propose and contact any experts/independent source necessary to complete its duties and responsibilities;(c) Prepare and distribute meeting invitations and materials;(d) Prepare and distribute minutes of meeting.
Expert/Independent Source	If needed, as stated above, PIC may invite expert/independent source from the BoD, BoC or other parties, either internal or external sources.

VI. MEETING

Meeting	PIC may conduct meeting from time to time as may be deemed necessary or as may be specifically requested by the BoC.
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Invitation of the Meeting	<p>An invitation for the PIC meeting shall be sent at least 3 (three) working days prior to the date set for the meeting, except otherwise waived by the members of the PIC present at the meeting.</p> <p>The invitation to the meeting may be sent by facsimile, email or registered mail to all members of the PIC stating the date, place, agenda of the meeting, and attaching any pre-read documents relevant to the agenda of the meeting.</p>
Pre-read Materials	<p>The pre-reading materials shall be sent at the latest 3 (three) working days prior to the date set for the meeting, except otherwise waived by the members of the PIC present at the meeting.</p> <p>For project/investments, the pre-reading materials shall include, among others, the detail project/investment proposal.</p>
Attendance of an Invitation to the Meeting	<p>The members of the BoC may attend the PIC meetings.</p> <p>The PIC may invite members of management of the Company or other parties to attend the meetings by invitation and to provide information as necessary.</p>
Chairman of PIC	<p>PIC meeting shall be chaired by the Chairman of PIC. In the absence of the Chairman, any member of the PIC appointed in the meeting may chair the PIC meeting.</p>
Quorum of the Meeting	<p>Meeting of the PIC may adopt resolution if attended by more than half of the members of the PIC</p>
Decision of the Meeting	<p>Resolution of the PIC meeting shall be adopted by deliberation and consensus. If no consensus reached, the PIC may adopt resolution if approved by more than half of the PIC members present at the meeting.</p>
Minutes Meeting	<p>Significant matters discussed in a meeting should be recorded in a minutes of meeting, including any dissenting opinion.</p> <p>Minutes meeting should be signed by the Chairman of the PIC as well as all members present at the meeting.</p> <p>For efficiency, minutes meeting shall also serve as PIC report to the BoC.</p>

For specific matters, PIC may issue a confidential report separately to the Board of Commissioners.

Circular Resolution

PIC may adopt binding resolution without convening a meeting, provided that all members of the PIC have been notified in writing and all members (including the Chairman) give their approvals regarding the proposal submitted in writing by signing the circular resolution. This resolution made in lieu of the meeting shall have the same legal force as the resolution made in the meeting.

VII. REPORTING SYSTEM

Recommendation

PIC shall provide recommendation to the BoC related to the activities as stipulated in its main duties and responsibilities, and on other issues assigned by the BoC for analysis within the responsibilities of the PIC.

The list of activities that requires recommendation from PIC and approval from BOC is attached hereto as appendix "I" to this Charter.

Report and Review

PIC shall report to the BoC for each assignment, including the recommendations for follow-up of important matters requiring the special attention of the BoC, by virtue of confidentiality principle and disclosed only to the PIC members and the BoC.

All PIC reports will be in the form of suggestions, opinions and/or recommendations, while the final decision will rest in the BoC.

Annual Report

PIC shall prepare a report on its performance on annual basis. These reports shall be included as part of the BoC performance report to the Shareholders.

VIII. MISCELLANEOUS

PIC Committee Charter

PIC shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the BoC for approval.

PIC Performance Review

PIC shall review its performance annually and report the result thereof to the BoC.

Effectiveness

This PIC Charter will be effective as of the date of the BoC approval to this Charter.

Jakarta, 31 October 2018

Board of Commissioners
PT Indika Energy Tbk.



Name>Nama : Agus Lasmono
Title/Jabatan : President
Commissioner/
Komisaris Utama

Name>Nama : Richard Bruce Ness
Title/Jabatan : Vice President
Commissioner/
Wakil Komisaris Utama

Name>Nama : Indracahya Basuki
Title/Jabatan : Commissioner/
Komisaris

Name>Nama : Boyke Wibowo Mukiyat
Title/Jabatan : Independent
Commissioner/
Komisaris Independen

Name>Nama : M. Chatib Basri
Title/Jabatan : Independent Commissioner/
Komisaris Independen

Attachment 1

Scope	Definition	Threshold (US\$)	
		Holding BoD	Holding PIC Holding BoC
Planning & Performance			
Strategic Business Plan (SBP)	Setting corporate direction through strategy formulation in 5-yr timeline	Require Approval	Not Required
Annual Business Plan (ABP)	Translating SBP strategy into executable operational drivers in 1-yr timeline	Require Approval	Not Required
Performance	Statutory reporting of actual company performance	Require Approval	Not Required
	Management Reporting (MMR)	To Be Informed (monthly)	Not Required
			To Be Informed (quarterly)
Business Development			
New Business Segment	Participation/project in a segment that is different from current business lines (not approved in the SBP)	Require Approval	Not Required
Capital Expenditure	Unbudgeted investment in fixed and intangible assets (not approved in the ABP)	Require Approval	Not Required
Partnership/ Consortium/JV/ Cooperation	Participation/cooperation with a party in a contract or agreement or to invite a party in our investment	Require Approval	Not Required
Long-term Contract / Commitment	Any unbudgeted contract or commitment >1 year (incl. policy for employee benefit)	Require Approval	Not Required
			Require Approval for value for value > \$50mio
			Not Required
			Require Approval for value > \$50mio

Scope		Definition		Threshold (US\$)	
		Holding BoD	Holding PIC	Holding BoC	
Corporate Actions					
Investment	Any equity investment (incl. M&A) – taking into account overall transaction value, including any assumption of liabilities	Require Approval	Require Approval for EV > \$50mio	- Being Informed for EV ≤ \$50mio - Require Approval for EV > \$50mio	
Divestment	Sale of equity or Corporate Entities	Require Approval	Require Approval	Require Approval	
Restructuring / Corporate Action	Any restructuring or corporate action within IEG	Require Approval	Require Approval for value > \$50mio	Require Approval for value > \$50mio	
Funding Activities					
Long-term Loan	Any loan facility with maturity > 1 year	Require Approval	Require Approval	Require Approval	
Short-term Loan	Any loan facility with maturity ≤ 1 year	Require Approval	Require Approval for value > \$50mio	Require Approval	
Granting Security/Liens/ Guarantee	Granting security over company's assets or providing liens/guarantee for project with maturity > 1 year	Require Approval	Require Approval	Require Approval	
	Granting security over company's assets or providing liens/guarantee for project with maturity ≤ 1 year	Require Approval	Require Approval for value > \$50mio	Require Approval	
Bid Bonds	Issuing bid bonds	Require Approval	Not required	Require Approval for value > \$50mio	

Scope	Definition	Threshold (US\$)		
		Holding BoD	Holding PIC	Holding BoC
Funding Activities (Cont'd)				
Issuing Company's Securities	Issuing company's securities (incl. bonds, warrants, etc)	Require Approval	Require Approval	Require Approval
	Issuing company's securities for employee compensation benefit (e.g., esop)	Require Approval	Not Required	Require Approval
Others				
Any transaction that may cause reputational risk	Any transaction deemed by the Company's BoD that may cause reputational risk to the Company or affiliated entities	Require Approval	Not Required	Require Approval
Conflict of Interest or Affiliated Transaction	Any transaction or activity that may involve conflict of interest or the perception of conflict of interest, or transaction with an affiliated entity	Require Approval	Not Required	Require Approval
Sale of Assets	Unbudgeted sale of fixed assets	Require Approval	Not Required	Require Approval for value > \$50mio
Parent Company Guarantee	Issuing parent company guarantee	Require Approval	Not Required	Require Approval for value > \$50mio