



CITATAH

**INTERNAL AUDIT CHARTER  
PT CITATAH TBK (the "COMPANY")**

## **A. INTRODUCTION**

The Internal Audit Unit is a work unit of the Company performing the internal audit function through independent and objective assurance and consultation activities, intending to increasing the value and improving the Company's operations.

This activity helps the Company achieve its goals through a systematic approach, by evaluating and improving the effectiveness of risk management, control, and governance processes.

Establishment of the Internal Audit Charter (the "Charter") has a purpose as a working guide for the Internal Audit Unit to carry out its duties and responsibilities effectively, efficiently and responsibly and following applicable laws and regulations.

## **B. STRUCTURE AND POSITION**

1. The Board of Directors (the "**BoD**") is entirely responsible for internal controls designed to manage and not to eliminate business risks; protect assets from embezzlement and other offenses; as well as providing reasonable, not absolute accountability.
2. The Head of Internal Audit is appointed by the President Director and approved by the Board of Commissioners (the "**BoC**").
3. The President Director with the approval of the BoC may dismiss the Head of Internal Audit if it cannot fulfill its responsibilities as stated in this Charter.
4. Head of Internal Audit leads the Internal Audit Unit and directly responsible to the President Director.
5. The Internal Audit staff is in charge to the Head of Internal Audit.

## **C. DUTIES AND RESPONSIBILITIES OF INTERNAL AUDIT UNIT**

1. Prepare, arrange, and implement the Internal Audit plan.
2. Using a systematic and disciplined approach to evaluate effective and efficient internal and risk management systems under the Company's policy.
3. Review and assess on efficiency and effectiveness in finance, accounting, operations, human resources, marketing, information technology, and other relevant activities.
4. Provide suggestions for improvements and objective information on reviewed activities at all levels of management.
5. Create a report on the results of audit activities and submit the report to the President Director and the BoC.
6. Monitoring, analyzing and reporting on recommended follow-up improvements.
7. Working closely with the Audit Committee.
8. Develop a program to evaluate the quality of internal audit activities.

9. Conduct specific projects requested by the President Director, and/or the Audit Committee as long as that is not contrary to the independence of Internal Auditor.

#### **D. AUTHORITY**

Internal Audit has authority regarding:

- a. Access to all systems, information, records, personal and physical documents on audit objects, to obtain data and information relevant to review tasks and functions.
- b. Cooperate with the Audit Committee to provide information about workers, funds, assets, and other company resources related to the performance of the task.
- c. Direct communication access with the BoD, the BoC, and/or Audit Committee.
- d. Perform regular and extraordinary meetings of the BoD, the BoC, and/or Audit Committee.
- e. Coordinate internal audit work activities with external auditors.

Internal Audit does not have implementation authority and responsibility for audited activities but has other powers as specified in applicable laws and regulations.

#### **E. OBLIGATION**

1. Carry out the duties in a professional, independent, honest and objective and maintain the character of integrity.
2. Comply with professional standards issued by the Internal Audit Association.
3. Follow the code of conduct of the internal audit code.
4. Understand the principles of risk, business management, and Good Corporate Governance.
5. Have knowledge and experience of audit techniques and other disciplines relevant to the responsibility.
6. Having knowledge of capital market regulations and other regulations that may affect the operations of the Company.
7. Able to communicate effectively both oral and written.
8. Maintain the confidentiality of information and/or data received during internal audit assignments unless the information/data must be disclosed under applicable regulations or by the court verdict.
9. Always enhance professional knowledge, skills, and abilities.

#### **F. CODE OF CONDUCT**

1. Integrity
  - a. Carry out the work by upholding honesty, diligence, and responsibility.
  - b. Comply with all applicable laws and regulations and disclose required information under applicable law and professional ethics.

- c. Be consciously not to ask others to do acts that are contrary to law or take action that may undermine the trustworthiness of the internal audit profession or the good reputation of the Company.
  - d. Respect and contribute to the legitimate and ethical objectives of the Company.
2. Objectivity
    - a. Will not engage in activities or relationships that reduce or allegedly reduce the judgment impartially. Such involvement includes any activities or relationships that may create a conflict of interest within the Company.
    - b. Will not accept anything that can reduce or allegedly reduce professional judgment.
    - c. Disclose all known material facts, otherwise, may lead to irregularities in the reporting of reviewed activities.
  3. Confidentiality
    - a. Be careful in the use and protection of information obtained during the execution of the task.
    - b. Will not use the information for personal benefit or in any way that would be contrary to statutory provisions or prejudice to the legitimate and ethical objectives set by the Company.
  4. Competence
    - a. Will only carry out the work following the knowledge, skills, and experience possessed.
    - b. Perform internal audit work under International Standards of Professional Practice Internal Audit.
    - c. Always improve the skills, effectiveness, and quality of the work.

## **G. Membership Requirements**

1. Have integrity and professional attitude, independent, honest, and objective in the implementation of its duties.
2. Have knowledge and experience of technical audit and other disciplines relevant to their field of responsibility.
3. Having knowledge of the laws and regulations in the Capital Market and other related laws and regulations.
4. Have the ability to interact and communicate both orally and in writing effectively.
5. Comply with professional standards issued by the Internal Audit Association.
6. Comply with Internal Audit code of conducts.
7. Maintain the confidentiality of the Company's information and/or data related to the performance of its duties and responsibilities unless required by law or court decision.
8. Understand the principles of GCG and risk management.
9. Willing to improve knowledge, expertise, and professionalism ability on an ongoing basis.

## **H. Prohibition of Concurrent Position**

The Internal Audit Unit is disallowed for having a concurrent position with a position to perform the Company's operational in the Company.

## **I. Others**

This Internal Audit Charter is valid from 2 October 2017. If necessary, the Head of Internal Audit shall review and amend the Internal Audit Charter. The President Director and the BoC shall approve the proposed amendment.

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Under the Article 4 paragraph (3) of the Financial Services Authority Regulation No. 8/POJK.04.2015 on Web Site of Issuers or Public Companies, in the event there is any difference of interpretation between Indonesia language and foreign language in the disclosed information thus Indonesia language shall prevail.