



CITATAH

**WORKING GUIDELINES AND RULES OF
AUDIT COMMITTEE
PT CITATAH TBK (the "COMPANY")**

A. INTRODUCTION

The implementation of Good Corporate Governance principles within the Company is a vital and integral part of efforts to achieve the Company's vision, mission, and values.

In applying Good Corporate Governance principles in both a consistent manner as well as in compliance with the law and regulations, the Company needs to form an Audit Committee that works professionally and independently to support the Board of Commissioners (the "**BoC**") oversight functions.

Further, the Audit Committee's role is vital in supporting and enhancing the BoC oversight function by, among others:

- Strengthening the quality of the financial statements;
- Monitoring the effectiveness of the internal control system and;
- Identifying aspects that require the BoC attention.

Due to its strategic role, the BoC needs to establish the Working Guidelines and Rules of the Audit Committee as a foundation for the Audit Committee to exercise its authority under applicable regulations.

B. LEGAL BASIS

This Working Guidelines and Rules of the Committee has prepared according to Financial Services Authority Regulation Number 55/POJK.04/2015 on Establishment and Working Guidelines of Audit Committee.

C. ESTABLISHMENT, ORGANISATION, AND TERM OF SERVICE

1. Appointment, Dismissal, and Responsibility

- a. Member of Audit Committee are appointed and dismissed by the BoC
- b. The Audit Committee is responsible the BoC.

2. Structure of Audit Committee

The Audit Committee at least 3 (three) members consisting of:

- a. At least 1 (one) Independent Commissioner, acting as Chairman of the Audit Committee.
- b. Other members must be from external party who are independent from/not related in any way to the Company.

3. Requirements of The Members of Audit Committee

- a. Audit Committee members should have high integrity, capability, knowledge, adequate experience in line with their respective academic backgrounds, and able to communicate well.
- b. At least one of the Audit committee members should have educational background and skill in accounting or finance.
- c. Audit Committee members should have good knowledge to read and understand financial statements.
- d. Audit Committee members should have good knowledge about capital market laws and regulations and other laws and regulations related to the capital market.
- e. Audit Committee members should understand company's business, audit process, and risk management.
- f. Audit Committee members should not be an officer of public accountants office, legal firms or other parties providing audit, non-audit or other consultative services to the Company in last 6 (six) months before their appointments by the BoC.
- g. Unless Independent Commissioner, Audit Committee members should not be persons, who have the authority and responsibility to plan, lead or control the Company's activities in the last 6 (six) months before their appointments by BoC.
- h. Audit Committee members should not, either directly or indirectly, hold, possess, or have control over the shares of the Company. In the case that the Audit Committee members maintain/obtain such shares out of a legal action/proceeding, the shares should be transferred to other parties in 6 (six) months at the most.
- i. Audit Committee members should not:
 - 1). Have family relationship by marriage and up to second-degree by generation, either vertically or horizontally, with the company, the BoC, the Board of Directors (the "BoD"), or major shareholders of the Company; and/or
 - 2). Have a business relationship with the Company, either directly or indirectly related to the Company's business activities.
- j. Audit Committee members should comply with the Company's code of conduct.
- k. Audit Committee members are willing to improve the competency continuously through education and training.

4. Term of Service

- a. The Audit Committee members' term of service shall not exceed the BoC's term of service as stipulated in the company's Articles of Association, i.e. 3 (three) years.
- b. Upon completion of the first term of duty, the Audit Committee members can be appointed for 1 (one) successive term only.

D. DUTIES, RESPONSIBILITIES, AND AUTHORITIES

1. Duties and Responsibilities

The Audit Committee shall:

- a. Give opinions to the BoC on reports or information provided by the BoD to BoC.
- b. Identify matters that need the BoC's attention.
- c. Review financial information to be released by the Company, such as financial statement, projections, and other related reports regarding financial information.
- d. Thoroughly check and verify the Company's compliance with capital market laws and regulations and other relevant laws and regulations to the Company's activities.
- e. Provide an independent opinion when the dissenting opinion occurs between the management and accountant for services rendered.
- f. Provide a recommendation to BoC regarding the appointment of external auditors based on independency scope of work and fee.
- g. Review the audits conducted by internal auditors and implementation of follow-up actions by the BoD on internal audit findings.
- h. Review and report to the BoC on the various risks faced by the Company and the implementation of risk management's activity by the BoD.
- i. Review complaints relating to accounting and financial reporting processes.
- j. Review and advise BoC concerning the potential of conflict of interest.
- k. Investigate any indication of an error or any inconsistency in executing in the decision of the BoD meeting. The Audit Committee or independent party appointed by the Audit Committee at the expense of the Company may investigate such indication.
- l. Maintain confidentiality of the Company's confidential documents, data, and information.

2. Authorities

The Audit Committee is authorized to:

- a. Accessing Company documents, data, and information about employees, funds, assets and necessary corporate resources;
- b. Communicate directly with employees, including the BoD and those exercising internal audit function, risk management, and accounting related to the Audit Committee's duties and responsibilities;
- c. Involve independent parties outside the members of the Audit Committee who are required to assist in the execution of their duties (if necessary); and
- d. Exercise other powers granted by the BoC.

E. WORKING PROCEDURES

The Audit Committee shall prepare an annual work plan consisting of a schedule of meetings, agendas including parties to be invited to meetings such as public accountants, management of the Company, internal audit and/or other necessary parties to support its duties and responsibilities.

The agenda of the Audit Committee meeting is aligned with the Company's annual work plan including but not limited to the discussion of relevant financial statements and/or legislation.

F. MEETING

1. Schedule

Audit Committee meetings shall be held at least 1 (one) time in 3 (three) months.

2. Meetings Procedure

- a. The Audit Committee meetings only can be held when attended by more than 1/2 (one-quarter) of the members of the Audit Committee.
- b. A meeting summons for each member of the Committee shall be made no later than 3 (three) calendar days before the meeting.
- c. Summoning the meeting shall contain the date, time, place, and agenda.
- d. The meetings shall be held at the location of domicile of the Company or the location of principal business of the Company within the territory of the Republic of Indonesia;
- e. If necessary, meetings may be held through media electronic such as teleconferencing, video conferencing, or others.

3. Decision Making

Decision-making based on deliberation to reach consensus. If deliberation to reach consensus is not reached, then the decision is taken by majority vote.

4. Minutes of Meetings

- a. The results of the meeting shall be outlined in minutes of meetings and submitted in writing to the BoC and documented by the Company.

- b. The minutes of the meeting shall include a dissenting opinion (if any) of the members of the Audit Committee as well as the reasons for such dissent.

G. REPORTING

1. The Audit Committee is responsible and shall report to the BoC on any assignment given together with a recommendation if necessary.
2. The Audit Committee ensures that the Company is obliged to convey information to OJK regarding the appointment and dismissal of the Audit Committee within a maximum of 2 (two) working days after the designation or termination.
3. Information on appointment and dismissal shall be posted on the exchange website and the Company's website.

H. CLOSING

The Working Guidelines and Rules of Audit Committee is effective as of 9 May 2017, and may be periodically evaluated to conform to the development of applicable laws and regulations.

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.