

## **Audit Committee Charter PT Archi Indonesia Tbk**

*Below Charter is a work guidelines summary of Audit Committee Charter of PT Archi Indonesia Tbk (“**Company**”). In addition, below Charter is prepared in two different versions (Indonesia and English), and if any discrepancy is found within the two, then the Charter in Indonesia is applicable.*

### **A. DEFINITION**

- a. Audit Committee is a committee that is formed by the Board of Commissioners for the purpose of assisting it in carrying out its duties and functions.
- b. Independent Commissioner is a member of the Board of Commissioners who comes from outside the Company and meets the following conditions, among other things:
  - i. is not a person who is working or has the authority and responsibility of planning, leading, controlling or supervising the Company's activities in the last 6 (six) months;
  - ii. has no shares, directly or indirectly, in the Company;
  - iii. has no Affiliated relationship with the Company, the Board of Commissioners, the Board of Directors or the Main Shareholders of the Company; and
  - iv. has no business relationship, directly or indirectly, that is related to the business of the Company.
- c. Company means PT ARCHI INDONESIA TBK.

### **B. LEGAL STANDING OF ESTABLISHMENT**

- a. Law of the Republic of Indonesia Number 40 of 2007 on Limited Liability Companies;
- b. Financial Services Authority Regulation No. 55/POJK.04/2015 on the Establishment and Guideline for the Implementation of Work of the Audit Committee; and
- c. Articles of Association of the Company.

### **C. PURPOSES AND OBJECTIVES**

The Audit Committee is formed with the purpose of assisting the Board of Commissioners in carrying out its supervisory function in the Company, especially in:

- a. improving the quality of the Financial Statements of the Company;
- b. ensuring the effectiveness of the internal control system that can reduce the possibility of irregularities in the management of the Company;
- c. identifying issues that require the attention of the Board of Commissioners, including decisions of the Company on prevailing laws and regulations;
- d. supervising the independence of the internal audit and external audit functions appointed by the Company.

## **D. STRUCTURES & MEMBERSHIPS**

### **D.1 Audit Committee Structure**

- a. Members of the Audit Committee shall be appointed and dismissed by the Board of Commissioners and reported to the General Meeting of Shareholders.
- b. Members of the Audit Committee shall consist of at least 1 (one) Independent Commissioner and 2 (two) members.
- c. The Audit Committee shall be chaired by the Independent Commissioner who is also a member of the Committee Audit.
- d. The term of office of members of the Audit Committee shall not be longer than the term of office of the Board of Commissioners as stipulated in the articles of association and may be re-appointed only for one period thereafter.
- e. Chairman of the Audit Committee may propose a potential replacement, honorarium and allowance of a member of the Audit Committee in the event of expiry of the term of office of one of the members of the Audit Committee, gradual/non-concurrent replacement, resignation or dismissal.

### **D.2 Membership Qualification of Audit Committee**

- a. Possesses high integrity, adequate capability, knowledge and experience in accordance with his/her education background and is able to communicate fluently.
- b. One of the members of the Audit Committee must have education background in accounting and/or finance.
- c. Understands the financial statement, the business of the Company especially those related to the services and business activities of the Company, audit process, risk management and laws and regulations in capital market and other related laws and regulations.
- d. Complies with the code of conduct of Audit Committee stipulated by the Company.
- e. Is not someone from a Public Accounting Firm, Law Consultant Firm, Public Appraisal Services Firm or other parties who provide audit services, non-audit services, appraisal services and/or other consultancy services to the Company in the last 6 (six) months.
- f. Is not someone who has the authority and responsibility to plan, lead, control or supervise the activities of the Company in the last 6 (six) months prior to his/her appointment by the Board of Commissioners, except for the Independent Commissioner.
- g. Does not have any shares, directly or indirectly, in the Company. In the event a member of the Audit Committee receives Company's shares directly or indirectly as a result of a legal event, such shares shall, within a maximum period of 6 (six) months after obtaining the shares, be assigned to other parties.
- h. Is willing to continuously improve his/her competence through education and training.
- i. Has no:
  - i. Affiliated relationship with members of the Board of Commissioners, the Board of Directors or the Main Shareholders or the Company; and/or
  - ii. business relationship, directly or indirectly, that relates to the business activities of the Company.

## **E. DUTIES, AUTHORITIES AND RESPONSIBILITIES**

### **E1. Duties and Responsibilities of Audit Committee**

The Audit Committee has the duty to provide independent professional opinion to the Board of Commissioners on reports or matters submitted by the Board of Directors to the Board of Commissioners, identifying matters that require the attention of the Board of Commissioners, including:

- a. Conducting analysis on financial information that will be issued by the Company to the public and/or the authorities, among other things, financial statements, projections and other reports relating to the financial information of the Company.
- b. Conducting analysis on Company's compliance with laws and regulation in the Capital Market sector and other laws and regulations that are connected to the activities of the Company.
- c. Providing independent opinion if there is any difference in opinions between the management and the Accountant or the services it provides.
- d. Providing recommendations to the Board of Commissioners on the appointment of Accountant that is based on independence, scope of assignment and service and service fee.
- e. Conducting analysis on the implementation of audits by the internal auditor on the Company and supervising the implementation of follow-up actions by the Board of Directors on the findings of the internal auditor.
- f. Conducting analysis on risk management implementation activities by the Board of Directors, if the Company does not have a risk monitoring function under the Board of Commissioners.
- g. Conducting analysis and giving advice to the Board of Commissioners in relation to any potential conflict of interest of the Company.
- h. Conducting analysis on complaints that relate to accounting process and financial reporting of the Company.
- i. Maintaining the confidentiality of documents, data and information of the Company.

### **E.2 Authorities of Audit Committee**

In performing its duties, the Audit Committee has the following authorities:

- a. To access the documents, data and information of the Company that it needs with regard to Company's employees, funds, assets and human resources.
- b. To communicate directly with employees, including the Board of Directors and parties who perform the internal audit, risk management and accounting functions in relation to the duties and responsibilities of the Audit Committee.
- c. To involve independent parties outside the members of the Audit Committee that are required to assist in the implementation of its duties (if necessary).
- d. To exercise other authorities granted by the Board of Commissioners.

## **F. MEETING**

- a. The Audit Committee shall hold meetings periodically at least 1 (once) in every 3 (three) months.
- b. Audit Committee's meeting may be held only if it is attended by more than 1/2 (one half) of the total members;
- c. The resolutions of an Audit Committee's meeting shall be adopted based on deliberation to reach consensus; and

- d. Each Audit Committee's meeting must be recorded in a minutes of meeting, including if there is a dissenting opinion, signed by all members of the Audit Committee who are present and must be submitted to the Board of Commissioners.

## **G. REPORTING**

- a. The Audit Committee must prepare a report for the Board of Commissioners for every assignment given to it.
- b. If the Audit Committee finds issues that are likely to disturb the activities of the Company and that are material, the Audit Committee shall report it to the Board of Commissioners; and
- c. The Audit Committee must prepare an annual report on the implementation of the activities of the Audit Committee that will be disclosed in the Annual Report of the Company.

## **H. RELATIONSHIP WITH RELATED PARTIES**

In performing its duties and responsibilities, the Audit Committee shall communicate with external as well as internal and the management of the Company such as:

- a. Role of Audit Committee in connection with external auditor is:
  - i. Conduct reviews on the works of external auditor;
  - ii. Discuss audit results with external auditor;
  - iii. If needed, Audit Committee may discuss audit results with the management, external auditor and internal auditor; and
  - iv. Conduct reviews on the performance of external auditor in ensuring its compliance with the applicable professional standards, including the independence of external auditor.
- b. Role of Audit Committee in connection with internal auditor is:
  - i. Receive and conduct reviews on internal audit reports;
  - ii. Monitor follow-up actions on results of internal audit;
  - iii. Request internal audit to conduct special / specific audit with the approval from the Board of Commissioners;
  - iv. Provide inputs on the content of the Internal Audit's Charter;
  - v. Coordinate with internal audit and external audit to achieve comprehensive and optimum audit results; and
  - vi. Review internal audit reports that relate to conflict of interest and/or unlawful action.
- c. Role of Audit Committee in connection with the Company's management is:
  - i. Assess the adequacy of internal control and risk management policy of the Company;
  - ii. Assess the Company's policy in relation to compliance with applicable internal and external regulations, code of conduct and conflict of interest;
  - iii. Ensure that the Company's management take follow-up actions on recommendations from internal auditor and external auditor;
  - iv. Identify and monitor issues that require the attention of the Board of Commissioners;
  - v. Invite the Company's management to attend the Audit Committee's meeting if necessary.

**I. CODE OF ETHIC**

- a. To avoid any conflict, the Audit Committee must adhere to Good Corporate Governance principles, namely transparency, accountability, responsibility, independence and fairness.
- b. In performing its duties, the Company's Audit Committee must adhere to professional code of conduct, whether it is related to the expertise of each member of the Audit Committee or the professional code of conduct of the Audit Committee.

In the event of any conflict or inconsistency between the provisions set out in THE Audit Committee Charter and Financial Services Authority Regulation No. No. 55/POJK.04/2015 on the Establishment and Guideline for the Implementation of Work of the Audit Committee, the regulation shall prevail.

This Audit Committee Charter will be evaluated periodically for improvements.

- End -