

# **PT Indo Straits Tbk**

## **AUDIT COMMITTEE CHARTER**

### **I. Introduction**

Decision of the Capital Market Supervisory Board (Indonesian: Badan Pengawas Pasar Modal (BAPEPAM)) No. Kep-29/PM / 2004 on the "Establishment and Implementation Guidelines Audit Committee" (Indonesian: "Pembentukan dan Pedoman Pelaksanaan Kerja Komite Audit ") and the BAPEPAM (Capital Market Supervisory Agency) rules requires any listed companies to have working guidelines for the members of the Audit Committee.

Audit Committee Charter is a formal document as a form of a commitment from the Board of Commissioners and Board of Directors in an effort to create the conditions for monitoring PT Indo Straits Tbk ("the Company").

Audit Committee Charter is structured as a guideline that the Audit Committee can carry out their duties and responsibilities in an efficient, effective, transparent, independent and accountable so that it can be accepted by all concerned and in accordance with the laws and regulations.

### **II. The purpose of the Audit Committee Formation**

The Audit Committee was formed with the aim to assist the Board of Commissioners in order to help carry out its duties and functions under the supervision of their role in the Company.

### **III. Position**

- 3.1. Committee established by the Board of Commissioners and Audit Committee therefore directly responsible to the Board of Commissioners.
- 3.2. Committee work collectively and perform duties independent of the Company's management.
- 3.3. Committee shall report the results of evaluations that have been done to Board of Commissioners.

## **IV. Membership**

### **4.1. Composition of Audit Committee**

- 4.1.1. Membership of the Audit Committee comprised of at least 1 (one) Chair and 2 (two) members.**
- 4.1.2. Chairman of the Audit Committee is a member of the Independent Commissioner.**
- 4.1.3. Audit Committee members are experts who are not employees of the Company and has no financial relationship with the Company.**

### **4.2. Criteria Audit Committee**

**Requirements to be appointed as a member of the Audit Committee are:**

- 4.2.1. Integrity, dedication, ability, education, independence, knowledge, and experience to perform the duties and functions of oversight of the audit process, the review of financial statements, and communicate the results of the implementation of the tasks and functions.**
- 4.2.2. Having adequate knowledge of the laws and regulations in capital market and the laws pertaining to the operation of the company.**
- 4.2.3. At least one member of the Audit Committee shall have the educational background and experience in accounting or finance and other members have sufficient knowledge to read and understand financial statements.**
- 4.2.4. Not a person in the Public Accounting, Legal Consultant Office, or others who provide services audit or non-audit services and other consulting services to the Company within six (6) months prior to being appointed by the Commissioner.**
- 4.2.5. Not persons having authority and responsibility for planning, directing or controlling the activities of the Company in the period of 6 (six) months.**
- 4.2.6. Does not have:**
  - family relationships by marriage and descent to the second degree, both horizontally and vertically with the commissioners, directors or major shareholders and or**

- business relationship, either directly or indirectly relating to the business activities of the Company.

#### 4.3. Tenure

- 4.3.1. Chairman of the Audit Committee work period equal to the maximum of his term as an independent commissioner.
- 4.3.2. Future tasks of the Audit Committee should not be longer than the term of office of the Board of Commissioners as provided for in the articles of association and can be reelected only for the period of 1 (one) next period.
- 4.3.3. The Board of Commissioners may at any time dismiss members of the Audit Committee.
- 4.3.4. To maintain continuity of performance of duties of the Audit Committee, the dismissal and replacement of members of the Audit Committee can be done gradually (not simultaneously).

#### V. Duties and Responsibilities

- 5.1. The Audit Committee to give its opinion to the Board of Commissioner regarding reports or other matters submitted by the Board of Directors, identify issues requiring attention Commissioners and carry out other tasks related to the duties the board include:
  - 5.1.1. Ensuring that there has been a satisfactory review procedures to information released by the Company include periodic financial reports, projections / forecasts and other financial information provided to shareholders.
  - 5.1.2. Do a review of the Company obedience to the laws and regulations in the field of Capital Market and other laws and regulations relating to company activities
  - 5.1.3. Reviewing the implementation and results of audits conducted by the Internal Auditor and the External Auditor to ensure that the implementation and reporting of the audit the auditors meet the auditing standards.
  - 5.1.4. Provide recommendations on improvement of the system Company's internal controls and implementation.
  - 5.1.5. Report to the Commissioner of the various risks faced by the Company and the implementation of risk management by the directors.

5.1.6. Implement other duties assigned by the Board of Commissioners within the scope of the duties and commissioners obligations

5.2. The Audit Committee shall maintain the confidentiality of the documents, data, and information regarding the Company acquired during stints as the Audit Committee.

## **VI. Relationships with Related Parties**

In carrying out its duties and responsibilities, the Audit Committee to communicate with the External Auditor, Internal Auditor and the Company's management.

## **VII. Meeting**

7.1. Audit Committee meetings held at least four times in one year with the following agenda;

- March: Review the annual financial report and budget
- April: *Review of Q1 performance*
- July: *Review performance Q2*
- October: *Review of Q3 performance*

7.2. The whole process and the results of the meeting of the Audit Committee are set forth in the minutes of the meeting signed by all members of the Audit Committee were present.

7.3. Minutes of the Audit Committee of the Whole meeting attendees and submitted to the Board of Commissioners.

7.4. The Audit Committee may attend the meeting of the Board of Commissioners or meeting joint Board of Directors and the Board of Commissioners if invited.

7.5. Meetings of the Audit Committee considered valid if attended by at least 2/3 of the members of the Audit Committee.

## **VIII. Others**

Audit Committee Charter was reviewed at regular basis to suit the regulations or changes in the assignment of the Board of Commissioners.