



**PT. ARTHAVEST Tbk.**

# **AUDIT COMMITTEE CHARTER**

## **PART ONE**

### **I. INTRODUCTION**

As a public company listed on the Indonesia Stock Exchange, PT. Arthavest Tbk obliged to comply with the rules and regulations set by the Capital Market Regulation No. IX.1.5 on the Establishment and Implementation Guidance of the Audit Committee. For that, PT. ArthavestTbk has established an Audit Committee to assist the Board of Commissioners in carrying out the duties and responsibilities of oversight on the course of business activities by the Company's Board of Directors.

Its expected roles and functions of each organ in the company (GMS, Commissioners and Directors) can be structured and balanced in realizing the company's objectives.

That the Audit Committee can work effectively and efficiently, then be made to the Audit Committee Charter which will be a reference for the Audit Committee in carrying out its duties and responsibilities.

### **II. Establishment purpose of the Audit Committee**

The Audit Committee was formed with the purpose of assisting the Board of Commissioners in performing supervisory role in the Company, especially in terms of:

- 2.1 Improving the quality of financial statements;
- 2.2 Ensuring the effectiveness of the internal control system which can reduce the chance of the occurrence of irregularities in the management of the company;
- 2.3 Overseeing the qualifications and independence of the internal and external audit functions to improve the performance and effectiveness of the internal audit function and external audit; and
- 2.4 Identifying matters that require the attention of the Board of Commissioners, including the Company's compliance with laws and regulations.

### **III. Position**

- 3.1 The Audit Committee is established by the Board of Commissioners and therefore the Audit Committee is directly responsible to the Board of Commissioners;
- 3.2 The Audit Committee work collectively and independently in carrying out their duties to the Company's management;
- 3.3 The Audit Committee shall report the results of evaluations that have been done to the Board of Commissioners;

## **PART TWO**

### **DUTIES, RESPONSIBILITIES, and AUTHORITY**

#### **I. DUTIES**

The Audit Committee duties are to give opinions to the Board of Commissioners regarding reports or matters submitted by the Board of Directors, identify matters that require the attention of the , and carry out other tasks related to the duties of the Board of Commissioners, include the following:

- 1.1 Ensuring that there has been a satisfactory review procedures against the company released information include periodic financial statements and other financial information submitted to the shareholders;
- 1.2 Assessing the planning, implementation and the results of audits conducted by the internal auditor and the external auditor to ensure that the execution and reporting of audits by the auditors meet audit standards;
- 1.3 Providing recommendations to the Board of Commissioners on Accountant designation based on independence, the scope of the assignment and the fee;
- 1.4 Providing recommendations regarding the improvement of the company's internal control system and its implementation;
- 1.5 Reporting to the Board of Commissioners of the various risks faced by the company and the review of the implementation of risk management by the Board of Directors;
- 1.6 Reviewing the compliance to laws and regulations in the capital market and other legislation relating to the activities of the company;
- 1.7 The Audit Committee makes program or annual work plan that contains plan work schedules and use of the necessary resources.
- 1.8 Carrying out other tasks given by the Board of Commissioners along still within the scope of duties and responsibilities as the representative of the Commissioner of the Board of Commissioners in performing supervisory functions;

#### **II. RESPONSIBILITIES**

- 2.1 Responsible to the Commissioner;
- 2.2 Make an annual report on the accountability of the tasks of the Audit Committee;
- 2.3 Periodically report on the findings discussed in the meeting of the Audit Committee;
- 2.4 Maintain confidentiality of documents, data and information regarding the Company acquired during stints as the Audit Committee.

### **III. AUTHORITY**

The Audit Committee has the authority to:

- 3.1 Access to records, data and information about employees, funds, assets and resources relating to the Company's performance of its duties;
- 3.2 Communicate directly with employees, including Directors and parties as well as the internal audit function related accounting duties and responsibilities of the Audit Committee;
- 3.3 Oversee the implementation of audit and monitor the discussion of the findings of an audit conducted by an external auditor and management;
- 3.4 If necessary, the written approval of the Board of Commissioners, the Audit Committee may request advice and assistance both from experts, consultants, and other professionals associated expense of the Company, in order to assist the Audit Committee;
- 3.5 Receive authority and assignment of BOC by observing regulations related to capital markets and the Company;
- 3.6 Provide a means for complaints which includes the Company, its subsidiaries and affiliates (if any);
- 3.7 To new members of the Audit Committee, is given orientation or introduction program regarding the roles, responsibilities, and the framework of the Audit Committee;
- 3.8 Perform other powers granted by the Board of Commissioners;

## **PART THREE AUDIT COMMITTEE MEMBERSHIP**

### **I. COMPOSITION OF THE AUDIT COMMITTEE**

- 1.1 Audit Committee members are experts who are not employees of the Company and does not have a financial relationship with the Company;
- 1.2 The Audit Committee consists of at least 1 (one) Independent Commissioner and at least two (2) members from outside the Company;
- 1.3 Audit Committee members who are Independent Commissioners acts as the Chairman of the Audit Committee. If there are two (2) Independent Commissioner, then one of them acting as a Chairman of the Audit Committee.

### **II. ESTABLISHMENT AND APPOINTMENT OF MEMBERS OF THE AUDIT COMMITTEE**

- 2.1 The Audit Committee was formed and established by decision of the Board of Commissioners.

- 2.2 Audit Committee members are appointed and dismissed by the Board of Commissioners and reported to the General Meeting of Shareholders.
- 2.3 Chairman of the Audit Committee is entitled to propose the replacement of members of the Audit Committee if one of the members of the Audit Committee ended its term, resign or bedismissed.
- 2.4 To maintain the continuity of the implementation of the tasks of the Audit Committee, the dismissal and replacement of members of the Audit Committee may be gradual (not simultaneously).

### **III. AUDIT COMMITTEE MEMBERSHIP REQUIREMENTS**

#### **3.1 Independence Requirements:**

- 3.1.1 Not a person in the public accounting firm, law firm, the Office of Public Appraisal Service or others who provide assurance services, the non-assurance services, appraisal services and / or other consulting services to the Company within 6 (six) months;
- 3.1.2 Not the people who work or have the authority and responsibility for planning, directing, controlling or supervising activities of the Company within six (6) months unless independent commissioner;
- 3.1.3 Has no shares, either directly or indirectly on the company. If the members of the Audit Committee acquire shares as a result of a legal event, then the shares shall be transferred to another party within a maximum period of 6 (six) months after obtaining such shares;
- 3.1.4 Has no marriage relationship by marriage and descent to the second degree, either horizontally or vertically with the members of the Board of Commissioners, the Board of Directors or the shareholders of the Company;
- 3.1.5 Is not affiliated with members of the Board of Commissioners, members of the Board of Directors or the shareholders of the Company; and
- 3.1.6 Does not have a business relationship, directly or indirectly related to the Company's business activities.

#### **3.2 Competence requirements:**

- 3.2.1 Required to have high integrity, ability, knowledge, and adequate experience in accordance with the field work, and able to communicate well;
- 3.2.2 At least one of the Audit Committee shall have the educational background and expertise of accounting and finance;
- 3.2.3 Mandatory understand financial statements, the company's business, the audit process, risk management, and regulations in the capital market as well as legislation related;
- 3.2.4 Understand and shall comply with the code of conduct established by the Audit Committee of the Company;
- 3.2.5 Willing to continuously improve competence through education and training.

#### **IV. ASSIGNMENTS**

- 4.1 The length of service of the Chairman of the Audit Committee is equivalent with his/her tenure as Independent Commissioner;
- 4.2 The length of service of the Audit Committee should not be longer than the term of office of the Board of Commissioners as set in the articles of association and may be re-elected only for a period of 1 (one) next period;
- 4.3 The Board of Commissioners may at any time dismiss members of the Audit Committee;
- 4.4 To maintain the continuity of the implementation of the tasks of the Audit Committee, the dismissal and replacement of members of the Audit Committee may be gradual (not simultaneously).

#### **PART FOUR WORK MECHANISM**

The Audit Committee shall compile an annual work program and report to the Board of Commissioners.

The annual work program include:

- Analysis and review of monthly reports, quarterly and annual financial statements of the Company;
- Review the Company's compliance to the legislation in force and implementation of the Company's good governance;
- Review the framework requirements reference for of the Public Accounting Firm;
- Review of the audit and the audit report of the Public Accounting Firm;
- Assessing the findings of the Public Accounting Firm and its relevance and its follow-up;
- Special audit if there is a suspected indications of irregularities in the Company;
- Review the risk management processes and internal control.

Annual Work Program adapted and aligned with the Company's financial reporting cycle.

Working Mechanism in terms of:

##### **1. Financial Statements**

The Audit Committee's duty is to ensure that the Company's financial statements are prepared and presented in accordance with Financial Accounting Standards applicable in Indonesia, which include the following activities:

- 1.1 Examining the process of preparation of financial statements by emphasizing that the standards and policies of financial / accounting principles have been met;

- 1.2 Examine whether the financial statements have been prepared in accordance with Generally Accepted Accounting Principles. If suspicion arises regarding the possibility for matters that can interfere with the fairness of the presentation, the Audit Committee shall discuss it with management and report to the Commissioner;
- 1.3 Examine the financial statements and other information which has been presented based on the financial or management accounting data correctly and accurately, in addition to the assumptions used in accordance with sound business practices.

## **2. Internal Control**

Internal control is a process to obtain reasonable assurance to achieve operating efficiency, effectiveness of operations, reliability of financial reporting, and compliance based on the legislation in force.

In carrying out these tasks:

- 2.1 The Audit Committee monitors the adequacy of management's efforts to execute, develop, and maintain an effective system of internal control;
- 2.2 Audit committees can use the report or communicate with internal and external auditors to follow up their internal control weaknesses with management.

## **3. Internal Audit**

- 3.1 Examine together with management and the Head of Internal Audit on the implementation of the Charter of Internal Audit, internal audit activities, the number of auditors, and internal organizational structure of the audit;
- 3.2 Audit Committee to accede to the annual work plan as well as any amendments thereto;
- 3.3 Ensure that the internal audit are given freedom in carrying out their duties and responsibilities, have a clear roadmap and can work independently, objectively, independent, and transparent;
- 3.4 Regular meetings with the internal audit to discuss the follow-up of internal audit findings and obstacles encountered in the implementation.

## **4. External Audit**

Audit Committee to supervise the audit for the following things:

- 4.1 Ensure that the external auditor to apply professional standards of Certified Public Accountants and accounting principles generally accepted in Indonesia;
- 4.2 Ensure that the external auditors to be objective and independent in carrying out audit tasks;

- 4.3 Discuss findings and other things that contain indications of internal control weaknesses, inefficiencies of the company's operations, the misapplication of accounting standards, and violations of the laws and regulations that apply regularly, at least once a month.

## **5. Compliance**

- 5.1 The Audit Committee reviewed the effectiveness of the system for monitoring compliance with laws and regulations in force as well as follow up on the results of an investigation into the existence of non-compliance;
- 5.2 Discussing the findings of regulators and other things that contain indications of non-compliance and violation of the laws and regulations in force;
- 5.3 Receive reports from management and other departments, related to the existence of legal issues as well as violations of the laws and regulations in force.

## **PART FIVE MEETING, REPORT and BUDGET**

### **1. AUDIT COMMITTEE MEETING**

- 1.1 The Audit Committee held a meeting at least once within 3 (three) month;
- 1.2 The Audit Committee meeting may vote on a decision, if attended by at least 2/3 (two thirds) of the members;
- 1.3 Meeting decision is considered valid, if approved by more than ½ (one half) of the members present;
- 1.4 The meeting was chaired by the Chairman of the Audit Committee or the Audit Committee member of the most senior, when the Chairman of the Audit Committee was unable to attend;
- 1.5 If necessary, the Committee may invite other parties associated with the meeting to attend the meeting of the Audit Committee;
- 1.6 Each meeting noted in the minutes of meeting, signed by all members of the Audit Committee were present and delivered to the Board of Commissioners.

### **2. AUDIT COMMITTEE REPORT**

The Audit Committee prepares and submits reports to the Board of Commissioners.

These reports include:

- 2.1 Annual Report containing accountability to the Audit Committee of the Board of Commissioners, which must be submitted no later than one (1) month after the end of the annual work program of the Audit Committee;



- 2.2 Reports for each implementation task of the Audit Committee, which includes the findings, suggestions and things that require the attention of the Board of Commissioners;
- 2.3 Independent evaluation of the performance of the Audit Committee, both individually and collectively performed each year and the report submitted to the Board together with the Annual Report of the Implementation Task Audit Committee.

### **3. BUDGET AUDIT COMMITTEE**

The Company will provide a sufficient budget / funding for the Audit Committee to carry out its duties and responsibilities, filed beginning of each year to the Board of Commissioners. The Audit Committee's budget is part of the budget of the Board of Commissioners.

### **PART SIX CLOSING**

1. The Audit Committee Charter is effective from the date specified;
2. The Audit Committee Charter will be reviewed periodically to conform with applicable regulations;
3. The Audit Committee Charter is to be implemented by all members of the Audit Committee with a full sense of responsibility.

Legalized in: Jakarta  
April 01, 2015

**BuntardjoHartadiSutanto**  
**(President Commissioner)**

**Nur Asiah**  
**(Independent Commissioner)**