

AUDIT COMMITTE CHARTER

2016

AUDIT COMMITTEE CHARTER

PT GAJAH TUNGGAL Tbk.

A. LEGAL BASIS FOR ESTABLISHMENT

1. Regulation of the Financial Services Authority No. 55 / POJK.04 / 2015 on the Establishment and Guidelines of the Audit Committee dated December 23, 2015.
2. Decision of Board of Directors of PT. Bursa Efek Indonesia (Indonesia Stock Exchange) Number Kep-00001/BEI/01-2014 dated 20 January 2014. about Regulatory Change No. 1-A on Share and Equity Share Addition Listing issued by Listed Company point e.2)
3. Appendix I of Decision of Board of Directors of PT, Bursa Efek Indonesia (Indonesia Stock Exchange) Number Kep-00001/BEI/01-2014 dated 20 January 2014, on Regulation I-A regarding Regulatory Change No. 1-A on Share and Equity Share Addition Listing issued by Listed Company point V.5)

B. GENERAL CONDITIONS

1. The Audit Committee is a committee established by and responsible to the Board of Commissioners in help carry out the duties and functions of the Board Commissioner.
2. The Audit Committee Charter is working guidelines contain a description of the Audit Committee :
 - a. The composition, structure and membership requirements.
 - b. Duties and responsibilities and authorities.
 - c. Working procedures.
 - d. Policies of organizing meetings.
 - e. Activity Reporting.
 - f. Conditions of complain handling or reporting relevant to alleged violation related with financial statement.
 - g. Funding
 - h. Assignment period of the Audit Committee
 - i. Code of Conduct
3. The Audit Committee Charter shall be posted on the Company's Website.

C. THE COMPOSITION, STRUCTURE AND MEMBERSHIP REQUIREMENTS

1. The composition and structure of the Audit Committee based on the decision of the Board of Commissioners consists of 1 (one) Independent Commissioner as Chairman of the Audit Committee and two (2) members instead of the Commissioner, the independent status.
2. Audit Committee is led by Independent Commissioner
3. Independent Commissioner shall fulfill the requirements stipulated in the Regulation of the Financial Services Authority No. 33 / POJK.04 / 2014 dated December 8, 2014 on the Board of Directors and Board of Commissioners of Public Company as follows:
 - a. is not a person working or authorized and responsible for planning, leading, controlling, or supervising Company activities within last 6 (six) months, except for reappointment as Independent Commissioner of the Company in subsequent periods;
 - b. is not having both direct and indirect shares in Company;
 - c. is not having Affiliation with Company, member of Board of Commissioners, member of Management or Company's Main Shareholders; and
 - d. is not having both direct and indirect business relationship related to Company business.

4. Requirements of Audit Committee Membership include:

4.1 Audit Committee Member **is obliged to**:

- a. Have high integrity, capability, knowledge, and experience with the area, and good communication;
- b. Understand financial statement, company businesses especially related to services or business activities, audit process, risk management, legislation in Capital Market area and other relevant legislations.
- c. Follow ethic code of Audit Committee specified by Company.
- d. Have at least one member with educational and expertise background in accounting and financial area;

4.2 Available to improve competency continuously through education and training.

4.3 It is not a person in a public Accounting Firm, Law Firm, the Office of Public Appraisal Service or others who provide assurance services, non-assurance services, appraisal services and / or other consulting services to the Company within 6 (six) months;

4.4 It is not a person who work or have the authority and responsibility for planning, directing, or control, or supervise the activities of the

Company within 6 (six) months, unless the Independent Commissioner;

- 4.5 Is not having both direct and indirect shares in Company;
- 4.6 In case of Audit Committee member getting both direct and indirect shares of Company due to any legal events then within the longest term of 6 (six) months after receiving shares the member must transfer the shares to other parties;
- 4.7 Is not having affiliation with Commissioners, Management, or Main Shareholders;
- 4.8 Is not having both direct and indirect business relationship relevant to business activities;

D. DUTIES AND RESPONSIBILITIES AND AUTHORITIES OF AUDIT COMMITTEE

1. Duties and Responsibilities of Audit Committee:

- a. Reviewing the financial information that will be issued by the Company to the public and / or authorities such as financial statements, projections, and other statements relating to the Company's financial information;
- b. To review the Company's compliance to the legislation relating to the Company's activities;
- c. Provide independent opinion in the event of disagreements between management and accounting for services rendered;
- d. Provide recommendations to the Board regarding the appointment of Public Accounting which is based on independence, scope, and recompense;
- e. Reviewing the implementation of audit by the Internal Auditor and oversee the implementation of the follow-up by the Board of Directors on the findings of the Internal Auditor;
- f. Conducting a review of the implementation of risk management activities carried out by the Board of Directors;

- g. Reviewing and providing advice to the Board in relation to the potential conflict of interest of the Company;
- h. Maintaining the confidentiality of documents, data and information of the Company;
- i. Reviewing the adequacy of the examination conducted by the Public Accountant to ensure that all risks have been adequately considered; and
- j. Conduct an examination of allegations of errors in the decision of the Board of Directors meeting or irregularities in the implementation of the decision of the board meeting.

2. Authorities of Audit Committee:

- a. Accessing documents, data and information about the Company's employees, and, of assets, the Company's resources are required;
- b. Communicate directly with employees, including Directors and those who perform the function of internal audit, risk management, and accounting-related duties and responsibilities of the Audit Committee;
- c. Involve independent outside members of the Audit Committee required to assist the implementation of the duties (if required), and
- d. Perform other powers granted by the Board of Commissioners.

E. WORKING PROCEDURES

1. Reviewing of financial information the Company will release:

- a. To demand Management to convey periodic financial statement to be published by Company for Public, Company Budget for the relevant year, and other reports relevant with financial statement of Company.
- b. To organize internal meeting of Audit Committee to analyze mentioned reports.
- c.. In case of questions to Management, in first place Audit Committee demands supporting documents in writing relevant to the questions if necessary.
- d.. In case of doubt or detailed clarification requirement, Audit Committee invites Management to make mutual discussion, while Audit Committee communicates suggestions/opinions in case of improvement.
- e. To make and convey report of study to Board of Commissioners.

2. Study of Company compliance to Legislation relevant to Company activities

- a. To study Laws and/or other Legislations from Authorities relevant to Company activities;
 - b. To study Company compliance to obligations relevant to :
 - Obligations in tax area
 - Obligations in customs area
 - Licensing obligations needed for performing Company activities
 - Applying provisions relevant to accounting, including PSAK and IFRS.
 - c. To give inputs to Management through Board of Commissioners in case of things inappropriate to provisions.
3. Providing independent opinions whenever there is a difference in opinions between the Management and the Accountant on the given service
- a. Accepting the assignment given by the Board of Commissioners
 - b. Studying the problems
 - c. Delivering the result to the Board of Commissioners
4. Reviewing the implementation of audit by the Internal Auditor
- a. The Audit Committee asks for Internal Auditor Work Programs for relevant financial year and therefore having discussion;

- b.. The Audit Committee asks for audit report by Internal Auditor and therefore having discussion;
 - c. The Audit Committee asks for report on Internal Auditor's inspection on the follow-up of the management on the findings by Internal Auditor on the previous inspections; and
 - d. Writing a review report.
5. Review towards the implementation of Risk Management by Board of Directors
- a. Asking for risk details possibly faced by the Company;
 - b. Reviewing the implementation of risk handling which occurs and the safety steps by the Board of Directors; and
 - c. Giving inputs to Board of Commissioners if there are things needs to be further considered by Board of Commissioners
6. Review on the potential conflict of interests
- a. The Audit Committee will observe and collect the materials needed whenever there is a transaction containing potential conflict of interests; and
 - b. The result of the observation will be reported to the Board of Commissioners for the follow-up.

7. Maintaining the confidentiality of the Company's documents, data, and information
 - a. Every member of the Audit Committee is fully responsible of the confidentiality of the Company's documents, data and information owned/known;
 - b. The Audit Committee has appointed a person responsible for the record-keeping of the acceptance, keeping, and using of the Company's documents, data and information available at the Audit Committee; and
 - c. Preparing a secure keeping.
8. Reviewing independence and objectivity of Public Accountant and to give recommendation to Board of Commissioners about appointment Office of Public Accountant to be communicated in General Meeting of Shareholders.
 - a. Main referral is Decision of Chairman of Capital Market and Financial Institutions Supervisory Agency (BAPEPAM-LK) No. KEP-6/BL/2011 dated 28 February 2011 concerning Independence of Accountant Performing Services in Capital Market;
 - b. Asking clarification from Indonesian Institute of Certified Public Accountant (IAPI) that the concerned Public Accountant:

- Listed in IAPI
 - Never been blacklisted or sanctioned
 - Never conducted any conflict of interest during delivering its services.
- c. Asking clarification from Directorial General of Taxation that the concerned Public Accountant:
- Already have Tax Registration Number
 - Doesn't have any tax dependents.
 - Never been involved in any tax crime.
- d. Based on review result as referred in Point 9.1, 9.2, and 9.3 above and regarding / referring criteria established in General Meeting of Shareholders, that are:
- Having optimal audit quality;
 - Timeliness in audit completion;
 - Reasonable audit fee;
 - Having affiliation with International Public Accounting Firm, and
 - Meeting criteria established by Authorized authority.

The Audit Committee hereinafter informs consideration to the Board of Commissioners for the determination of Public Accounting Firm

will be appointed to audit Company financial report (balance sheet and profit and loss statement) in relevant fiscal year.

9. Reviewing of inspection adequacy performed by Public Accountant
Conducting meeting with the concerned Public Accountant to discuss:
 - Audit program;
 - Sampling system will be performed;
 - Audit focus;
 - Audit report; and
 - The points are implemented by Public Accountant in the review of the risks of foreign currency, interest rate, credit and non-business credit enterprise as well as liquidity of the Company.
10. Investigating alleged mistakenness related to the Board of Directors meeting result:
 - a. Waiting for order from the Board of Commissioners;
 - b. Performing inspection for the concerned alleged mistakenness;
 - c. Performing inspection based on investigation result performed.

F. THE POLICY OF MEETING ARRANGEMENT

1. The Audit Committee holds periodical meetings at least once in 3 (three) months.
2. The Meeting of the Audit Committee can only be performed if it is attended by more than $\frac{1}{2}$ (one half) of the members.
3. The decision of the Audit Committee meeting is taken based on deliberation for consensus.
4. Every meeting of the Audit Committee is reported in minutes of meeting, including if there are dissenting opinions, signed by all members of the Audit Committee and is delivered to the Board of Commissioners.

G. REPORTS

1. The Audit Committee is obliged to report to the Board of Commissioners of every assignation given by the Board of Commissioners
2. The Audit Committee is obliged to write annual report on the implementation of the activities performed by the Audit Committee stated in the Company's Annual Report.

H. REVIEW ON THE COMPLAINTS RELATED WITH ACCOUNTING PROCESS AND THE REPORT OF THE COMPANY'S FINANCE

1. Holding a special meeting to study and discuss the complaints, whether they are to be followed-up or not;
2. If the complaints need to be followed-up, the Audit Committee will do further observation and collect the materials (data, documents and other information) to reveal that the complaints are correct and needed to be processed; and
3. Writing a special report to the Board of Commissioners.

I. FUNDING

At the beginning of every year the Audit Committee proposes their activities budget to the Board of Commissioners and the budget becomes part of the Board of Commissioners' budget.

J. ASSIGNMENT PERIOD OF THE AUDIT COMMITTEE

The assignment period of the Audit Committee is not more than the service period of the Board of Commissioners as is stipulated in the Company's Article of Associations and can only be re-elected for the next one period.

K. CODE OF CONDUCT

In performing its duties, the Audit Committee is obliged to obey the Code of Conduct stipulated as follows:

1. To uphold the integrity, professionalism and standard of their profession
2. In performing their duties and responsibilities they are honest, objective and independent merely for the Company's importance
3. To avoid any activities contradictory to the law, ethics and norms applicable in the society and any activities contradictory to the importance and objectives of the Company
4. To not receive any compensation or anything outside what has been stipulated as the rewards of their duties
5. In delivering their opinions, they are obliged to use sufficient and competent evidence to support the opinion and not to use any information related with the Company for personal importance
6. To be obliged to maintain the confidentiality of the Company's information and not to reveal the information unless it is justified by the valid regulations
7. To develop their ability and professionalism continuously

L. CLOSING PROVISION

This Audit Committee Charter shall come into force on the date of its promulgation and shall be evaluated periodically in accordance with the development of valid regulations; likewise the performance of the Audit Committee both individually and collectively shall be evaluated by the Board of Commissioners.

Stipulated in Jakarta

On March 1, 2016

 **BOARD OF COMMISSIONERS**

PT. Gajah Tunggal Tbk.



Sutanto

Independent President
Commissioner



Sean Gustav Standish Hughes

Vice President Commissioner



Benny Gozali

Commissioner



Gautama Hartarto

Commissioner



Sang Nyoman Suwisma

Independent Commissioner



Sunaria Tadjudin

Independent Commissioner