



## **PT ASTRA AGRO LESTARI Tbk (“AAL”) (“COMPANY”)**

### **AUDIT COMMITTEE CHARTER**

#### **1. Overall Goals and Tasks**

- a. The Company's Audit Committee ("AC") is an independent committee formed by the Board of Commissioners ("BOC") and is responsible to the BOC. Its main function is to assist the BOC in managing its oversight responsibilities over methodologies and processes in financial reporting, managing risk, auditing and compliance with applicable laws and regulations.
- b. In running the business, AC will work together with the Board of Directors ("BOD"), Internal Audit ("IA"), Risk Management ("RM"), Corporate Legal and the Company's External Auditor.
- c. AC carries out its supervisory responsibilities based on information provided by BOD, IA, RM, Corporate Legal and External Auditor.
- d. AC carries out, including carrying out instructions received from BOC, in accordance with applicable laws and regulations, regulations from the Financial Services Authority ("OJK") and the Indonesia Stock Exchange ("IDX").

#### **2. Roles and Responsibilities**

- a. AC provides supervision over the following matters:
  - i. Financial Report – the credibility and objectivity of the Company's financial statements to be issued to external parties and supervisory bodies, including follow-up on complaints and/or records of irregularities in the report during the TOR review period;
  - ii. Risk Management and Internal Control – adequacy of processes to identify and mitigate financial and business risks;
  - iii. Assurance Activities – plans and results of activities carried out by RM, IA and External Auditors to assess whether key risks have been properly covered and evaluated based on their work performance;
  - iv. Objectivity and Independence – the objectivity and independence of Internal and External Auditors;
  - v. Legal Aspect – the process and reporting of significant legal cases in PT Astra Agro Lestari Tbk and its subsidiaries; and
  - vi. Compliance with relevant laws and regulations, as well as the Company's Code of Conduct.



- b. AC has reporting responsibilities that include:
  - i. Written report to BO at least once every quarter containing details of AC activities, recommendations for follow-up and presentation of significant matters that need to be known by BOC;
  - ii. Provide recommendations to the BOC regarding the appointment of an External Auditor by considering the scope of work, independence and audit service fees;
  - iii. Ensuring that the Board of Directors has taken appropriate steps regarding the issues described in the previous TOR report and reported significant discrepancies from related parties to follow up on these matters to the BOC; and
  - iv. Prepare a report to be included in the Annual Report containing details of railway activities that reveal, among others:
    - Significant violations of applicable laws and regulations;
    - Significant errors or inappropriate disclosures in the financial statements;
    - Inadequate risk management system or internal control;
    - Inadequate independence of External or Internal Auditors;
    - Significant difference of opinion between Management and External Auditor;
    - Any potential significant conflict of interest identified by the AC during its review period; and
    - Provision of Special Reports to the Board of Commissioners as required.

### **3. Authority**

- a. The Board of Commissioners authorizes AC to investigate any activity that falls within its scope of responsibility. AC may at any time seek and request the necessary information from:
  - i. Each employee (and all employees who have received direction from BOD to respond to requests for information from KA); and
  - ii. Relevant external parties.
- b. AC received the following reports:
  - i. Quarterly and annual financial reports;
  - ii. Quarterly reports from RM;
  - iii. Quarterly reports from IA – summary of internal audit activities and significant findings within the Company and its subsidiaries;
  - iv. Quarterly reports from Corporate Legal – summary of significant legal cases and/or significant legal non-compliance cases, found at PT Astra Agro Lestari Tbk and its subsidiaries, as well as significant violations of the Company's Code of Ethics;
  - v. Significant statutory and regulatory decisions that have relevance for AC; and





- vi. Reports or other information that may be required by AC.

The format of the reports above will be evaluated and agreed upon periodically with the reporting provider.

- c. Based on consultation and approval from the BOC, the AC may seek legal or other professional advice on issues relevant to the Company; reasonable costs arising from the provision of such advice shall be borne by the Company.

#### **4. Organization**

##### **a. Membership**

- i. Membership and membership requirements of AC must at least comply with the applicable regulations from the OJK and the Indonesia Stock Exchange which are updated regularly.
- ii. AC is chaired by an Independent Commissioner and appointed by the Board of Commissioners.
- iii. At least one AC member must have experience in accounting and finance, have served as a senior employee (Chief Executive, Finance Director, or other senior position) with financial oversight responsibilities.
- iv. BOC has the right to propose, appoint and dismiss AC members. Resignation as a member of the AC must be made in writing to the DK no later than a month before the effective date.
- v. The term of office of the AC members will end simultaneously with the end of the term of office of the BOC members as stipulated in the Company's Articles of Association and can be re-elected only for one subsequent period.
- vi. In the event that one of the AC members is unable to carry out their duties for any reason, which reduces the number of AC members to less than three, the BOC will appoint a temporary independent AC member for a maximum period of 6 (six) months pending the selection and appointment of a replacement permanent member.

##### **b. Meeting**

- i. AC holds meetings at least quarterly. The formal agenda and meeting location including information on the main issues will be presented before the day of the meeting.
- ii. AC may invite relevant parties to attend KA meetings as far as deemed necessary.
- iii. If necessary, the AC can hold separate meetings with IA, RM, Corporate Legal, External Auditor and other related parties within the Company.
- iv. The entire process, including differences of opinion, is documented in the minutes of the meeting. The minutes of the



meeting are signed by all members of the AC and distributed to the AC and BOC.

- v. The quorum in all meetings is a minimum of 2/3 of the AC members. If the quorum is not met, the meeting will be postponed. Decisions are taken if after approval of more than (one half) of the number of AC members.
- vi. AC decisions are made based on deliberation and consensus.

## **5. Changes to the Charter and Performance of the Audit Committee**

- a. The Audit Committee will:
  - i. Review and update the TOR Charter as deemed necessary and obtain BOC approval for the changes made; and
  - ii. Evaluate the performance of AC together with the BOC on a regular basis.
- b. If part or all of the contents of this Charter are in conflict with the relevant Government Regulation, the applicable provisions shall be those applied by the Government Regulation.

## **6. Others**

- a. AC is required to maintain confidentiality regarding all information and data in the Company and its subsidiaries that is given or received by AC.
- b. AC must carry out its duties in accordance with the Code of Ethics of PT Astra Agro Lestari Tbk.