

English Translation

**INTERNAL AUDIT UNIT CHARTER**

**PT DHARMA SATYA NUSANTARA Tbk (the Company)**

**1. INTRODUCTION**

To apply the principles of Good Corporate Governance, the Company established a work unit that works independently and objectively as an internal audit with the purpose of improving and adding value to the company's operations through a systematic approach. This will be achieved by evaluating and enhancing the effectiveness of risk management, control, and corporate governance processes. The "Internal Audit Unit Charter" is established as a written basis for the internal audit unit and its staff to carry out their duties. This charter includes the vision, mission, objectives, position, scope, tasks and responsibilities, authority, code of ethics, examination standards, and examination procedures. It also sets out the working relationship between the internal audit unit and the Board of Directors, Board of Commissioners, Audit Committee, and External Auditors.

**2. VISION, MISSION, AND OBJECTIVES**

**a. VISION**

To become an active oversight unit in supporting the achievement of the company's vision and mission, based on the principles of good corporate governance.

**b. MISSION**

To provide independent and objective assurance to all organizational activities in improving the company's performance, conducting management control system consultation, enhancing the role of internal auditing, and improving the quality of oversight results through the development of human resources and the utilization of information systems.

### c. OBJECTIVES

To contribute to the management by providing independent and objective assurance and consulting services to add value and improve the effectiveness of the company's operational activities. This is achieved by evaluating and enhancing the effectiveness of risk management, internal control, and good corporate governance processes through operational and financial audits.

### 3. POSITION

- The Internal Audit Unit is a unit within the organization that assists the CEO and Audit Committee in carrying out oversight functions to secure the Company's investments and assets.
- The Internal Audit Unit is led by the Head of the Internal Audit Unit.
- The CEO appoints and dismisses the Head of the Internal Audit Unit with the approval of the Board of Commissioners.
- The CEO may dismiss the Head of the Internal Audit Unit, with the approval of the Board of Commissioners, if the Head of the Internal Audit Unit fails to meet the requirements as an internal auditor as stipulated in this regulation and/or fails to carry out their duties competently.
- The Head of the Internal Audit Unit reports to the CEO.
- The Head of the Internal Audit Unit functionally reports to the CEO and Board of Commissioners, with a copy to the Audit Committee.
- Auditors who work in the Internal Audit Unit report directly to the Head of the Internal Audit Unit.
- The Internal Audit Unit must be positioned in such a way that internal auditors can express their views and thoughts without influence or pressure from management or other parties. The Head of the Internal Audit Unit may form a team of professional staff auditors with the necessary knowledge, skills, experience, and professional qualifications to meet the requirements stipulated in this charter.

### 4. SCOPE

The scope of the Internal Audit Unit is to oversee the internal controls within the company and its subsidiaries, which includes:

- Integrity, ethical values, and competency of employees.
- Management's performance of duties and responsibilities.

- Organizational and human resource development.
- Attention and guidance provided by the Board of Directors.
- Risk management process, including analysis, assessment, and management of relevant business risks.
- Control activities, including authorization, verification, reconciliation, performance evaluation, task assignment, and asset security.
- System, information, and communication process, including the presentation of reports on operational, financial, and compliance activities of the company and its subsidiaries.
- Monitoring process, including assessing the quality of internal control systems at all levels and units of the company and its subsidiaries.

## 5. RESPONSIBILITIES

The responsibilities of the Internal Audit Unit are:

- Develop and execute the annual Internal Audit plan.
- Test and evaluate the implementation of internal controls and risk management systems in accordance with company policies.
- Examine and evaluate the efficiency and effectiveness of financial, accounting, operational, human resources, marketing, information technology, and other activities.
- Provide objective advice and information about the activities examined to all levels of management.
- Prepare audit reports and present them to the CEO and Board of Commissioners.
- Monitor, analyze, and report on the implementation of recommended corrective actions.
- Collaborate with the Audit Committee.
- Develop programs to evaluate the quality of internal audit activities.
- Conduct special examinations as necessary.

In carrying out their responsibilities effectively, the Internal Audit Unit has full access to all relevant records, assets, and personnel related to the audit. The Internal Audit Unit may also coordinate with external auditors of the company.

## 6. AUTHORITY

The authority of the Internal Audit Unit includes:

- Access to all relevant information about the company related to its functions and responsibilities.
- Direct communication with the Board of Directors, the Board of Commissioners, and/or the Audit Committee, as well as members of those bodies.
- Holding regular and ad-hoc meetings with the Board of Directors, the Board of Commissioners, and/or the Audit Committee.
- Coordination of activities with external auditors.

The authority of the Internal Audit Unit is limited to the assessment and analysis of the activities being reviewed/audited. The Internal Audit Unit does not have the authority for the implementation and responsibility of the activities being reviewed/audited.

## 7. INTERNAL AUDITOR REQUIREMENTS

The requirements for internal auditors are:

- Having integrity and professional, independent, honest, and objective behavior in carrying out their duties.
- Having knowledge and experience of audit technical and other relevant disciplines.
- Having knowledge of regulations in the field of the capital market and other relevant laws and regulations.
- Having the ability to interact and communicate effectively both orally and in writing.
- Obligated to meet the professional standards issued by the Internal Audit association.
- Obligated to comply with the Internal Audit code of ethics.
- Obligated to maintain the confidentiality of information and/or company data related to the implementation of the duties and responsibilities of Internal Audit, except as required by laws and regulations or court decisions.
- Understanding the principles of good corporate governance and risk management.
- Willing to continuously improve their knowledge, skills, and professionalism.

## 8. INTERNAL AUDITOR CODE OF ETHICS

- **PRINCIPLES**

Internal auditors are expected to apply and uphold these following principles:

- **Integrity**

The integrity of internal auditors builds trust and thus provides the basis for their evaluations.
- **Objectivity**

Internal auditors exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activities or processes being examined. Internal auditors make balanced assessments of all relevant circumstances and are not influenced by their own interests or those of others in making assessments.
- **Confidentiality**

Internal auditors respect the value and ownership of the information they receive and do not disclose information without permission unless there is a legal obligation or professional duty to do so.
- **Competence**

Internal auditors apply the knowledge, skills, and experience necessary in performing internal audit services.
- **RULES OF BEHAVIOR**
  - **Integrity**
    - a) Internal auditors must perform their work with honesty, diligence, and responsibility.
    - b) Internal auditors must comply with laws and make disclosures required by laws and regulations and the profession.
    - c) Internal auditors must be aware that they cannot be involved in any illegal activities or engage in actions that are shameful to the internal audit profession or organization.
    - d) Internal auditors must respect and contribute to the legitimate and ethical goals of the organization.
  - **Objectivity**
    - a) Internal auditors will not participate in any activities or relationships that may impair, or be perceived to impair, their unbiased assessment. This participation

includes activities or relationships that may conflict with the interests of the organization.

- b) Internal auditors will not accept anything that may impair, or be perceived to impair, their professional judgment.
- c) Internal auditors must disclose all material facts that they know, and if not disclosed, it could affect the reporting of the activities being examined.

- **Confidentiality**

- a) Internal auditors must be cautious in the use and protection of information obtained in their duties.
- b) Internal auditors will not use information for personal gain or in any way that would be contrary to laws and regulations or harm the legitimate and ethical goals of the organization.

- **Competency**

- a) Internal auditors will only provide services as long as they have the knowledge, skills, and experience necessary.
- b) Internal auditors must conduct internal audits in accordance with the International Standards for the Professional Practice of Internal Auditing.
- c) Internal auditors will continuously improve their ability, effectiveness, and quality of services.

## 9. AUDIT STANDARDS

a. The Audit Standards are divided into 4 (four) parts

- General Audit Standards
- Audit Implementation Standards
- Audit Reporting Standards
- Follow-up Standards

- **GENERAL AUDIT STANDARDS**

a. The scopes are:

- i. Financial and regulatory compliance, including compliance with the Company's Work Plan and Budget (RKAP) that has been established.
- ii. Reliability and effectiveness of the company's internal control system and operational activities, including risk management.
- iii. Quality of performance of a particular activity, particularly an analysis of the benefits and costs used in the activity.

- iv. The authorized officer to determine the audit task must consider the needs of the audit results users in determining the scope of a particular audit.
  - v. This consideration must also specifically pay attention to the primary function of the Internal Audit Unit, which is to evaluate and provide advice on the existing management control system.
  - c) The organizational status of the Internal Audit Unit must be such that it allows the implementation of audit responsibilities.
  - d) In all matters related to audit tasks, the Internal Audit Unit and its audit methods, both individually and collectively, must act with integrity and objectivity.
  - e) The auditor or auditors assigned to carry out the audit, either individually or at least collectively, must have the necessary expertise in their respective fields.
  - f) In carrying out the audit and preparing the report, the auditor must carefully use his or her expertise.
  - g) The Head of the Internal Audit Unit, along with the audit methods, must continually strive to improve their abilities so that the Internal Audit Unit can function as it should.
- **AUDIT IMPLEMENTATION STANDARDS**
    - a) The audit work must be planned as well as possible.
    - b) The auditors must be supervised and guided as well as possible.
    - c) Compliance with laws and regulations must be adequately reviewed and assessed.
    - d) The management control system must be examined and assessed sufficiently to determine how far the system can be relied on to ensure the accuracy and precision of information, compliance with laws and regulations, and to encourage useful and successful operational performance.
    - e) The auditors must be vigilant against situations or transactions that may indicate possible abuse of authority and unauthorized actions.
    - f) Adequate, competent, and relevant evidence must be obtained as a proper basis for drawing conclusions and recommending Auditor's actions.
    - g) The audit working papers, which are written tools for the audit work carried out, must be prepared by the auditor.
  - **AUDIT REPORTING STANDARDS**
    - a) The Internal Audit Unit is obliged to record every audit result in a written report in accordance with the reporting standards in the annual report submitted once a year.
    - b) The Internal Audit Unit submits the Internal Audit Results Report and Executive Summary to the CEO and the Board of Commissioners/Audit Committee.

- c) Each audit report must include the scope and objectives of the audit, be well-structured, provide appropriate information, and state that the audit has been carried out in accordance with the audit standards.
  - d) Each audit report must:
    1. Objectively state the findings and conclusions of the audit, along with constructive and applicable recommendations.
    2. Prioritize the information presented in the report by emphasizing the most critical issues.
    3. Be written clearly and concisely, with supporting documentation.
    4. Be distributed to the appropriate parties in a timely manner.
- **FOLLOW-UP STANDARDS**
    - a) The auditor must ensure that the recommendations contained in the audit report are implemented as soon as possible.
    - b) The auditor must follow up on the implementation of the audit recommendations to ensure their effectiveness.
    - c) If the audit recommendations are not implemented, the auditor must inform the relevant

## 10. AUDIT PROCEDURES

The Internal Auditor carries out audits in accordance with the procedures established in the System Operating Procedure.

## 11. WORKING RELATIONSHIPS

### a) Relationship with the Board of Directors and Managers

The Internal Audit Unit works as a partner to all levels of management and as an "advisor" to the Board of Directors, with the authority to carry out its functions at all levels of management and the Board of Directors to ensure that the policies and internal control systems are working properly to achieve the Company's Vision, Mission, and Objectives.

### b) Relationship with the Audit Committee

The Audit Committee is responsible for assisting the Board of Commissioners in ensuring the effectiveness of the internal control system and the effectiveness of the External and Internal Auditors' tasks. Therefore, the Internal Audit Unit's working relationship with the Audit Committee is as follows:

- i. As a partner in conducting operational oversight of the Company.
- ii. As an evaluator of the Internal Audit Unit's performance, preventing substandard performance and reporting.



**c) Relationship with External Auditor**

The External Auditor is appointed by the General Meeting of Shareholders to provide independent and objective opinions on the reasonableness of the company's financial statements in accordance with generally accepted accounting principles in Indonesia. The Internal Audit Unit may provide relevant information to the External Auditor based on the results of audits that have been carried out.

**12. FUNCTIONAL INDEPENDENCE**

The Internal Audit Unit does not have the authority and is not responsible for the company's operational activities and does not have the right to the operational department being audited. The Internal Audit Unit is also not involved in the implementation of internal control systems but can provide advice on the adequacy of existing controls or recommendations to strengthen them.

Internally recruited auditors cannot audit activities or functions that they have carried out in the past two years and are not allowed to audit their previous work.

The Internal Audit Unit is prohibited from combining duties and positions as an operator of the company's operational activities.

**13. CLOSING**

- a) This Company's Internal Audit Charter applied from the date of its establishment.
- b) This Charter and its changes and revisions must be established by the Board of Directors after obtaining approval from the Board of Commissioners.
- c) Any appointment, replacement, or termination of the Head of the Internal Audit Unit must be immediately reported to the Financial Services Authority (OJK).

In accordance with the demands of the company's development and needs, this Internal Audit Charter can be periodically reviewed and revised, especially if there are changes in regulations related to Internal Audit Units in the future.

Established in Jakarta, February 1, 2013

PT DHARMA SATYA NUSANTARA Tbk