



Internal Audit Charter

PT Astra International Tbk

July 2021

I. Vision & Mission

Vision

Pride of the Nation 2040 Vision – Astra Group is recognized as world class in corporate governance, internal audit, and risk management standards.

Mission

To become a key partner / advisor to management in the proactive management of risks, protection and creation of business value within Astra Group through independent, objective assurance and advisory services.

II. Structure and Position

- a) The Board of Directors (BOD) has overall responsibility for the Group's internal control. Internal controls are designed to manage, rather than eliminate business risk; to help safeguard the Group's assets against fraud and other irregularities; and to give reasonable, but not absolute assurance, against material misstatement or loss.
- b) Internal Audit, under the guidance of the President Director, assists the BOD by reviewing the reports provided by the respective subsidiaries Head of Internal Audit, on the operation and effectiveness of the Individual subsidiaries system of internal control and the procedures by which this is monitored.
- c) The Internal Audit function is managed by the Chief of Internal Audit.
- d) The Chief of Internal Audit is appointed by the President Director and endorsed by the Board of Commissioners (BOC).
- e) The Chief of Internal Audit is responsible to the President Director with due regard to Astra International Articles of Association.
- f) The President Director may terminate the Chief of Internal Audit with the BOC's endorsement should the Chief of Internal Audit fails to fulfill his/her responsibilities as stated in this Charter;
- g) Internal Audit staff is responsible to the Chief of Internal Audit.
- h) The Chief of Internal Audit and other Internal Audit staff shall not hold any other operational functions within the Group.

III. Internal Audit Staff

Members of Internal Audit should, amongst other things:

- a) Maintain a character of integrity and carry out his/her duties with professionalism, independence, honesty, and objectivity;
- b) Be knowledgeable and experienced with auditing techniques and other disciplines relevant to his/her field of responsibilities;

- c) Be knowledgeable with the rules and regulations of the stock market and other relevant rules and regulations that impact the Group's operations;
- d) Be able to communicate effectively orally and in writing;
- e) Shall comply to the professional standard issued by the recognized Internal Audit association;
- f) Shall follow the Internal Audit Code of Ethics (attached to this Chapter as an integral part of this Internal Audit Charter). The Internal Audit Code of Ethics shall follow the prevailing laws and regulations;
- g) Safeguard the confidentiality of information and/or data received as a result of carrying out internal audit duties except where such information/data is required by regulation or court rulings;
- h) Understand risk and business management principles as well as good corporate governance principles;
- i) Seek to continuously improve his/her professional knowledge, experience, and ability; and
- j) Adequately resourced.

IV. Internal Audit Roles & Responsibilities

Internal audit's roles and responsibilities include, amongst other things:

- a) Prepare, develop, and execute risk based Internal Audit Plan for the Group;
- b) Co-ordinate with other internal audit functions within the Group to ensure adequacy of audit coverage and quality of audit approach;
- c) Using a systematic and disciplined approach to evaluate the internal control and risk management system are properly aligned to effectively and efficiently achieve the Astra goals in a manner that mitigates risks to an acceptable level and complies with applicable laws and regulations;
- d) Review and assess the efficiency and effectiveness in the area of finance, accounting, operational, human resources, marketing, information technology, and other relevant activities;
- e) Provide recommendation and information on activities reviewed in an objective manner to all management level;
- f) Quarterly reports will be presented to the President Director and the BOC on the results of audit activities, the effectiveness of risk management processes, and the completion status of approved audit plans;
- g) Monitor, analyse, and report the status of implementing audit actions;
- h) Cooperate with the Audit Committee;
- i) Develop program to evaluate the quality of Internal Audit work; and
- j) Undertake special projects as requested by President Director, Senior Management and/or Audit Committee in a manner that does not conflict with the objective of independence.

V. Authority

- a) Internal Audit is authorized by the President Director to access all systems, information, documents, records, properties, and personnel of the Group within a reasonable timeframe. Any significant disagreement regarding such access will be reported to the President Director for resolution.
- b) Internal Audit has direct access to communicate with the BOD, the BOC and/or Audit Committee as well as to individual member of the BOD, the BOC and/or Audit Committee.
- c) Routine and ad hoc meetings will be held with the BOD, the BOC, and/or Audit Committee as required for audit issue briefings.
- d) Coordinate internal and external audit work activities.

The Internal Audit shall also have other authorities as provided under prevailing laws and regulations.

VI. Others

The Chief of Internal Audit will review the Internal Audit Charter at least every 2 years or if needed and update the Charter as appropriate. The Internal Audit Charter changes should be approved by the BOD and the BOC.

Attachment to the Internal Audit Charter

Code of Ethic Internal Audit

The following code of ethics, amongst others, shall be observed by all members of Internal Audit of PT Astra International Tbk:

Rules of Conduct

1. Integrity

Internal auditors:

- 1.1 Shall perform their work with honesty, diligence, and responsibility.
- 1.2 Shall observe the law and make disclosures expected by the law and the profession.
- 1.3 Shall not knowingly be a party to any illegal activity or engage in acts that are discreditable to the profession of internal auditing or to the organization.
- 1.4 Shall respect and contribute to the legitimate and ethical objectives of the organization.

2. Objectivity

Internal auditors:

- 2.1 Shall not participate in any activity or relationship that may impair or be presumed to impair their unbiased assessment. This participation includes those activities or relationships that may conflict with the interests of the organization.
- 2.2 Shall not accept anything that may impair or be presumed to impair their professional judgement.
- 2.3 Shall disclose all material facts known to them that, if not disclosed, may distort the reporting of activities under review.

3. Confidentiality

Internal auditors:

- 3.1 Shall be prudent in the use and protection of information acquired in the course of the duties.
- 3.2 Shall not use information for any personal gain or any manner that would be contrary to the law or detrimental to the legitimate and ethical objectives of the organization.

4. Competency

Internal auditors:

- 4.1 Shall engage only in those services for which they have the necessary knowledge, skills, and experience.
- 4.2 Shall perform internal auditing services in accordance with the International Standards for the Professional Practice of Internal Auditing.
- 4.3 Shall continually improve their proficiency and the effectiveness and quality of their services.