



PT LIPPO CIKARANG TBK
Charter of The Audit Committee

2022

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I. LEGAL BASIS

The establishment of the Audit Committee as set forth in this Charter shall refer to the following legal basis:

- a. Decree of the Board of Jakarta Stock Exchange Number: Kep-00183/BEI/12-2018 dated December 26, 2018 regarding the Amendment to Regulation Number I-A concerning Listing of Shares (Stock) and Equity-Type Securities Other Than Stock Issued by the Listed Company.
- b. Financial Services Authority Regulation Number 33/POJK.04/2014 dated December 8, 2014 concerning the Board of Directors and Board of Commissioners of Issuers or Public Companies ('POJK No.33/2014')
- c. Financial Services Authority Regulation Number 55/POJK.04/2015 dated December 23, 2015 concerning the Formation and Guidelines for the Work Implementation of the Audit Committee ('POJK No.55/2015')
- d. Financial Services Authority Regulation Number 13/POJK.03/2017 dated March 27, 2017 concerning Use of Public Accountant Services and Public Accounting Firms in Financial Services Activities ('POJK No.13/2017')

II. DEFINITION

- a. **Auditors** are staffs/employees of the Company within the Internal Audit Unit who have the scope, roles, responsibilities and authority to carry out any internal investigations in the Company in accordance with the laws and regulations.
- b. **Internal Auditor** is an independent and objective assurance and consulting activity with the aim of increasing value and improving the operation of the Company through a systematic approach by evaluating and improving the effectiveness of risk management, control system, and corporate governance processes.
- c. **The Board of Commissioners** is a Company Organ that is in charge of conducting a general and/or specific oversight of the both the Company and its business in accordance with the Articles of Association as well as providing advice to the Board of Directors.
- d. **The Board of Directors** is a Company Organ that has full authority and responsibility for the management of the Company, to fulfill its objectives and also to represent the issuer or public Company, both inside or outside the court in accordance with the provisions of the Articles of Association.
- e. **Affiliated relationship** is as defined in Law Number 8 Year 1995 concerning Capital Market, which are:
 1. family relationship due to marriage and descent up to second degree, both horizontally and vertically.
 2. relationship between the party and its employee, director, or commissioner;
 3. relationship between 2 (two) companies where are 1 (one) or more members of the same Board of Directors or Commissioners;
 4. relationship between the company and the parties, either directly or indirectly controlling or being controlled by the company;
 5. relationship between 2 (two) companies with the same common control, either directly or indirectly; or

6. relationship between the company and the major shareholders.
- f. **The Audit Committee** is a committee formed by and responsible to the Board of Commissioners in assisting in carrying out the duties and functions of the Board of Commissioners.
 - g. **Independent Commissioner** is a member of the Board of Commissioners who comes from outside the Company and has met the requirements as set forth in OJK Regulation number 33 Year 2014 regarding Board of Directors and Board of Commissioners of Issuers or Public Companies.
 - h. **Financial Service Authority (FSA)** is state institution established under Law No. 21 year 2011 which serves to implement an integrated regulatory and supervisory system for all activities in the financial services sector.
 - i. **Shareholders** is a person or legal entity that legally owns one or more shares of the Company.
 - j. **The Company** is PT Lippo Cikarang Tbk.
 - k. **Another Party** is every and all parties outside the Company.
 - l. **The Audit Committee Secretary** is the Corporate Secretary or other party appointed by the Audit Committee.
 - m. **The Company's Website** is www.lippo-cikarang.com.

III. PURPOSE

The purpose of establishing the Audit Committee of the Company is to assist the Company's Board of Commissioners in carrying out its roles and functions overseeing the operational of the Company, especially in relation to the quality of Company's financial reporting. The main objective is to supervise the implementation of the accounting principles and the process of reporting the Company's Financial statements, the qualifications and independence of the of the Company's auditors, and the Company's compliance to the prevailing laws and regulations. In carrying out its roles, at all times Audit Committee must ensure its independency, fairness, and professionalism.

IV. COMPOSITION, STRUCTURE, MEMBERSHIP OF AUDIT COMMITTEE

- a. Audit Committee is formed and established by the decision of the Board of Commissioners and responsible to the Board of Commissioners.
- b. Audit Committee consists of at least 3 (three) members from Independent Commissioner and parties from outside the Company
- c. Chairman of Audit Committee must concurrently serves as an Independent Commissioners of the Company.
- d. Audit Committee members are appointed and/or dismissed by the Board of Commissioners.
- e. The Audit Committee can be assisted by the Secretary of the Audit Committee, either from the Company's internal or external parties who are bound by a confidentiality agreement with the Company. Members of the Committee may also hold concurrent positions as Secretary of the Audit Committee.

V. REQUIREMENTS FOR AUDIT COMMITTEE MEMBERSHIP

The Audit Committee membership requirements are as follows:

- a. Have high integrity, ability, knowledge, and experience that are adequate in accordance with their educational background and are able to communicate well;
- b. At least 1 (one) member of the Audit Committee must have educational background and expertise in Accounting or Finance;
- c. obliged to comply with the Audit Committee code of ethics which was established by the Company;
- d. Willing to continuously improve competencies through education and training that support its functions as member of the Audit Committee;
- e. Having sufficient knowledge to understand financial reports, the company's business especially related to the services or business activities of the Company, the audit process, risk management, the prevailing laws and regulations including Capital Market Law and other related or industry-specific laws and regulations;
- f. Not a person in Public Accountant Firm, Legal Consulting Firm, Office of Public Appraisal Services, or any other party that provides assurance services, non-assurance services, appraisal services, and/or other consulting services to the Company within the last 6 (six) months before being appointed by the Board of Commissioner;
- g. Not a person who has the authority and responsibility to plan, to lead, to control the Company's activities within the last 6 (six) months before being appointed by the Board of Commissioner, except for an Independent Commissioner who is a member of the Audit Committee;
- h. Do not own any shares, either directly or indirectly in the Company.
- i. In the event that a member of the Audit Committee acquires shares as a result of a legal event, then within a period of 6 (six) months after shares are acquired, they must transfer it to Another Party;
- j. Do not have:
 1. Affiliation relationship with members of the Company's Board of Commissioners, members of the Company's Board of Directors, or the Company's Major Shareholders; and/or
 2. Business relationships, either directly or indirectly, relating to the Company's business activities.

VI. TERM OF OFFICE OF AUDIT COMMITTEE'S MEMBER

- a. The term of office of members of the Audit Committee must not be longer than the term of office of the Board of Commissioners as stipulated in the Articles of Association and can be re-elected only for the next 1 (one) period.

- b. The term of office of the members of the Audit Committee is appointed based on the decision of the Board of Commissioners (either through a Decree of the Board of Commissioners or a meeting of the Board of Commissioners)
- c. An Independent Commissioner serves as the Audit Committee, can only be reappointed as the Audit Committee for the next 1 (one) term of office of the Audit Committee.
- d. Audit Committee membership will end, if:
 - 1. His/her term of office has ended;
 - 2. Passed away
 - 3. Resign from his/her position
 - 4. No longer meets requirements of the applicable provision; and
 - 5. Dismissed by the Board of Commissioners.
- e. Audit Committee members can resign by submitting written notification to the Board of Commissioners at least 30 (thirty) days prior to the effective date of resignation.
- f. In the event that the position of a member of the Audit Committee is vacant, the Board of Commissioners may consider the appointment of a new member within 3 (three) months.
- g. The Company must submit a report on the appointment and dismissal of the Audit Committee to OJK no later than 2 (two) working days after the appointment or dismissal, include to publish/to upload on Bursa Efek Indonesia's website and/or the Company's website.

VII. ROLES, RESPONSIBILITIES, AND AUTHORITIES

A. Roles and Responsibilities of Audit Committee

The Audit Committee acts independently in carrying its roles and responsibilities. In carrying out its functions, the Audit Committee provides opinions to Board of Commissioners on Financial Reports or other matters which needs to be approved by the Board of Commissioners, identifies issues that require the attention of the Board of Commissioners, and carries out other tasks related to the roles of the Board of Commissioners, among others:

- 1. Duties related to the Financial Information of the Company
 - a. Review any financial information to be issued by the Company including financial statements, projections, and other reports related to the Company's financial information;
 - b. Conduct discussion regarding internal control related to the preparation of financial statements.
 - c. Review and report to the Board of Commissioners on any complaint relating to the accounting and financial reporting process within the Company.
- 2. Duties related to coordination with Internal Audit
 - a. Conduct discussions and reviews on the audit implementation conducted by the internal auditors and supervise the implementation of the follow-up actions by the Board of Directors on the findings of the internal auditors;
 - b. Review the annual internal audit plan prepared by the Company's Internal Audit Unit;

- c. Review the contents of the Internal Audit Unit Charter.
 - d. Conduct discussions and reviews on the effectiveness of the Company's internal control based on reports and findings from the Internal Audit Unit.
3. Duties related with Risk Management
- a. Review the implementation of risk management and compliance activities by the Board of Directors, as long as a committee under the Board of Commissioners with functions to oversight and monitor the Company's risk has not been established.
 - b. Review and evaluate the effectiveness and adequacy of the Risk Management and Internal Control framework (i.e, organization, systems, policies, procedures, and practices) implemented within the Company along with its mitigation plan.
 - c. Review on the Company's critical issues/risks including the Key Risk indicators of the Company.
 - d. Review and provide recommendation to the Board of Commissioners on the Company's plan to conduct any significant Corporate Action among others; Related Party Transactions, Material Transactions, and others.
4. Duties related to coordination with External Audit
- a. Provide an independent opinion in the event of a disagreement between the Company and Public Accountant for the services rendered.
 - b. Review the independence, objectivity, scope of assignments, and fees of Public Accountants and provide recommendations to the Board of Commissioners regarding the appointment or dismissal of the external auditor.
 - c. Discuss the audit plan (through a kick-off meeting) and receive the draft of audit reports of the Company's annual financial statements in accordance with the agreed schedule for the submission of the annual audited financial statements.
 - d. If necessary, together with External Audit participate in discussions between the Company and the Financial Services Authority (OJK) related to issues on the Company's audited Annual Financial Statements.
 - e. Ensure that the audit findings from External Audit are followed up by the relevant department/division.
5. Duties related to Fraud Cases coming from various channel
- a. Discuss and review the Fraud Cases Register compiled by the Internal Auditors.
 - b. Ensure that the Company provides an appropriate confidential mechanism for whistle-blowers to report on potential breaches of internal control.
 - c. Conduct discussions and reviews with Whistleblowing Committee regarding any major complaint received through the whistleblowing channel.

- d. Request and oversee special inspections/investigations as needed including investigations of any potential misconduct and/or fraud, in coordination with Internal Audit and/or Whistleblowing Committee.
 - e. Ensure that any misconduct and/or fraud found through various channels, either from the Internal Audit findings, a complaint received by the Whistleblowing channel, and/or other sources, that are suspected and/or proven to be a violation of the law are followed up to the relevant authorities (as deemed necessary).
6. Other Duties and Responsibilities
- a. Obtain reports and conduct reviews on material legal cases.
 - b. Conduct a review on governance matters especially related to the Company's compliance with the prevailing laws and regulations, including in the event where there are some queries or questions from the relevant authorities (OJK, IDX, or other authorities) on important issues regarding the Company.
 - c. Review and provide advice to the Board of Commissioners regarding any affiliated transaction that may have potential conflicts of interest with the Company and/or material transactions with the Company and/or material transactions with related parties.
 - d. Audit Committee must at any time comply with the Company's Code of Conduct.
 - e. To attend the General Meeting of Shareholders held by the Company.
 - f. Conduct as self-assessment of the implementation of its duties and responsibilities towards the end of each year and submit it to the Board of Commissioners, as the basis for evaluating the performance of the Audit Committee.

B. Authorities of The Audit Committee

- 1. To access any company's documents, data, and informations regarding employees, funds, assets, Company resources, policies, and procedures related to their roles;
- 2. To communicate directly with the Board of Directors, employees of the Company, and parties who carry out the functions of internal audit, risk management, compliance, governance and and external auditors regarding the roles and responsibilities of the Audit Committee.
- 3. Involving independent parties outside members of the Audit Committee to support their roles if necessary;
- 4. In terms of the implementation of its authorities, the Audit Committee should coordinate with internal auditors;
- 5. Audit Committee may also coordinate with Whistleblowing Committee for any major complaint received by the Whistleblowing Committee;
- 6. Provide recommendations as needed on significant matters including the appointment of the Head of the Internal Audit Unit, affiliated/material transactions, and the appointment of a Public Accountant and Public Accounting Firm that will conduct the audit of the Company's financial statements;

7. If required, Audit Committee may hold meetings and discussions with Public Accountant;
8. Review the content of the Audit Committee Charter to be proposed to the Board of Commissioners for approval; and
9. Conduct other authorities specifically assigned by the Board of Commissioners.

C. Accountability and Independency

1. In carrying out their duties, Audit Committee is required to maintain their objectivity, remain neutral, unbiased and avoid any matters that may result in a conflict of interest.
2. Not participating in any activity or relationship that could, or is reasonably suspected to be compromising the objectivity of the Audit Committee.
3. Maintain the confidentiality of the Company's documents, data, and information, as well as not using any of the information received from their activities in carrying out the duties and responsibility of the Audit Committee for their personal gain in any way, that is against the law or could detrimental to the Company.

VIII. IMPLEMENTATION OF DUTIES

- a. In terms of the implementation of its duties, the Audit Committee prepares an annual work program and reports to the Board of Commissioners.
- b. The working mechanism within the Audit Committee include methods of communication between the Audit Committee and the Internal Auditor, Public Accountants, and the Company representative, to the method of receiving complaints from other elements of the Company, which is determined based on the direction of the Chairman of the Audit Committee and must be approved in the Audit Committee Meeting.
- c. In terms of the implementation of its duties, the Audit Committee should comply with the applicable laws and regulations to avoid being subject to sanctions by any of the competent authorities.

IX. AUDIT COMMITTEE MEETINGS

- a. The Audit Committee holds regular meetings with at least 1 (one) times in 3 (three) months.
The notification regarding the Audit Committee will be delivered/sent at least 3 (three) working days before the meeting, except for meetings that have been scheduled since the previous meeting.
- b. The Audit Committee may hold other meetings other than regular meetings, as deemed necessary.
- c. Notification of the Audit Committee meeting and changes will distribute by the Secretary of the Audit Committee either directly or by letter/e-mail/facsimile/telephone.

- d. Audit Committee meetings can be held through formal/physical meetings or through teleconferencing, video conferences, or other electronic media that allow all meeting participants to see and/or hear one another directly as well as to participate in the meeting.
- e. Audit Committee meetings are chaired by the Chairman of the Audit Committee. If the Chairman of the Audit Committee is unable to attend, the meeting is chaired by a member of the Audit Committee appointed at the Meeting.
- f. The Audit Committee may invite members of the Board of Directors of the Company and/or Head of Internal Audit of the Company and/or representatives of Public Accountant/external auditors and/or members of the Board of Commissioners of the Company who are deemed necessary to attend the meeting.
- g. Audit Committee meetings can only be held if attended by more than $\frac{1}{2}$ (one-half) of the number of members of the Audit Committee.
- h. Member of the Audit Committee may assign their proxy to another member of the Audit Committee in case of leave of absence. The Proxy must be submitted to the Chairman via Secretary at least one (1) day prior to any Audit Committee Meeting.
- i. Audit Committee meeting may resolve various recommendations that are taken based on deliberation for consensus. Should the consensus cannot be reached, the Audit Committee will escalate the matter to be resolved by the Board of Commissioners.
- j. Every Audit Committee meeting must be stated in the minutes of the meeting, including any dissenting opinions, which are signed by all members of the Audit Committee who are present or represented in the meeting, then to be submitted to the Board of Commissioners.
- k. Audit Committee may also provide recommendations in writing through a circular mechanism signed by all members of the Audit Committee.
- l. Minutes of Meeting and written recommendations of the Audit Committee which are made through a circular mechanism can be signed electronically (e-signature) by all members of the Audit Committee and have the same power as the decisions taken at the Audit Committee meeting.
- m. The Secretary of the Audit Committee is responsible for:
 - 1. compiling a schedule for the Audit Committee meeting for the next 1 (one) year, including submitting it to all members of the Audit Committee for approval.
 - 2. preparing the minutes of the Audit Committee meeting, including circulating it to the members of the Audit Committee who are present for approval and/or signing, and
 - 3. maintaining and/or documenting the attendance list and minutes of the Audit Committee meetings that have been approved and/or signed by members of the Audit Committee who attended the meeting.

X. REPORT

- a. The Audit Committee prepares a report to the Board of Commissioners on each assignments that must contains of findings, suggestions, and matters that need to be developed and considered by the Board of Commissioners;

- b. The Audit Committee prepares an annual report on the implementation of the Audit Committee's activities to the Board of Commissioners;
- c. The Audit Committee prepares an evaluation report on the implementation of the provision of audit services on annual historical financial information by a Public Accountant and/or a Public Accounting Firm;
- d. The Audit Committee provides a report on the implementation of special duties (if any) to the Board of Commissioners.

XI. REMUNERATION

In carrying out their duties, members of the Audit Committee who are not concurrently serve as the Board of Commissioners of the Company shall be given honorarium, allowances, and other facilities, the amount of which is determined by the Board of Commissioners and/or based on the recommendation of the Nomination and Remuneration Committee of the Company, and shall be charged to the Company.

XII. CLOSING

- a. This Audit Committee charter is effective from the date of stipulation.
- b. This Audit Committee charter must be announced and/or uploaded on the Company's website page.
- c. This Audit Committee Charter can be reviewed periodically, or updated when deemed necessary to be further refined taking into account the prevailing laws and regulations and approved by the Company's Board of Commissioners.

XIII. APPROVAL BY THE BOARD OF COMMISSIONERS

Adopted by the Board as of October 28, 2022.