

AUDIT COMMITTEE CHARTER

A. Purpose and General Purpose

- A.1. The Company's Audit Committee ('AC') is an independent committee formed by and responsible to the Board of Commissioners. AC's main function is to assist the Board of Commissioners carry out their supervisory responsibilities over the method and process of financial reporting, risk management, auditing, and compliance with regulations and laws - laws that apply.
- A.2. In doing their task, AC works closely with the Board of Directors, Group Internal Audit, Corporate Legal and External Auditor of the Company.
- A.3. AC runs supervisory responsibilities based on information from the BOD, GIA, Corporate Legal and External Auditor.
- A.4. AC is carrying out its functions, including to execute instructions given by the Board of Commissioners, in accordance with the legislation in force, in particular the regulations issued by the Financial Services Authority ('FSA') and the Indonesia Stock Exchange.

B. Roles and Responsibilities

- B.1. AC provides control over the following matters:
 - B.1.1. Finance - the credibility and objectivity of the Company's financial statements to be issued to external parties and regulatory bodies, including the follow up complaints and / or record of impropriety on the report during the assessment period of CA;
 - B.1.2. Risk Management and Internal Control - the adequacy of processes to identify and mitigate financial and business risks;
 - B.1.3. Assurance activities - plans and results of the activities carried out by the GIA, and the External Auditor to assess the major risks are covered and adequately evaluated in the execution of their duties;
 - B.1.4. Objectivity and Independence - objectivity and independency of the Internal and External Auditors;
 - B.1.5. Legal aspects - the process of reporting a significant legal case in the environment and the NPH group

B.1.6. Compliance with regulations and related laws, as well as the Code of Ethics of the Company.

B.2. CA has reporting responsibilities that include:

- B.2.1. A written report to the Board of Commissioners at least quarterly containing CA incian activities, recommendations for follow-up, and the exposure of significant matters that need to be known by the Board of Commissioners;
- B.2.2. Provide recommendations to the Board of Commissioners regarding the appointment of External Auditors to consider the scope of the work and independency. CA will also examine the cost of external audit services proposed by the management and advised impropriety findings to the Board of Commissioners;
- B.2.3. Ensuring that the Board of Directors has taken the appropriate measures related to the issues outlined in the earlier report of CA, and report a significant mismatch of the parties concerned for following up on these matters to the Board of Commissioners; and
- B.2.4. Prepare a report for inclusion in the Annual Report containing details of railway activities that reveal, among others:
 - a. Significant violations of regulations and applicable laws;
 - b. Significant fault or improper disclosure in the financial statements;
 - c. Inadequacy of risk management systems or internal controls;
 - d. Inadequate independence of the External or Internal Auditor; Significant disagreements between management and the External Audit;
 - e. Everything that could potentially be significant conflict of interest identified by the railway during the assessment period; and
 - f. Provision of Special Report to the Board of Commissioners as required.

C. Authority

C.1. BOC provides authority to CA to conduct investigations on any activities that are within the scope of its responsibilities. CA may at any time seek and request the necessary information to:

- C.1.1. Each employee (and all of the employees already receive direction from the Board of Directors to respond to requests for information from CA); and
- C.1.2. Relevant external parties.

- C.2. CA received the following reports:
- C.2.1. Quarterly and annual financial statements;
 - C.2.2. Quarterly report from GIA - a summary of Internal Audit activities and significant findings of the entire NPH Group;
 - C.2.3. Quarterly reports from Corporate Legal - a summary of significant case law and / or events of significant non-compliance with the law, which is found in the NPH group, as well as significant violations of our Code of Ethics of the Company;
 - C.2.4. Decision significant legislation that has relevance to CA; and
 - C.2.5. Reports or other information that may be required by CA.

The format of the reports mentioned above will be evaluated and approved periodically by the contributor to the report.

- C.3. Based on the consultation and approval of the Board of Commissioners, CA can request legal advice or other professional advice related to issues relevant to the Company; reasonable costs arising from the provision of advice is borne by the Company.

D. Organizational Structure

- D.1. Membership
- D.1.1. CA membership and membership requirements must at least comply with the regulations of the FSA and the Indonesia Stock Exchange, which is updated regularly.
 - D.1.2. CA is chaired by an Independent Commissioner and appointed by the Board of Commissioners;
 - D.1.3. At least one member of CA has experience in accounting and finance and has served as a senior officer (Chief Executive, Director of Finance, or other senior position) with responsibilities that include financial oversight.
 - D.1.4. Each member of CA is appointed for a term of three (3) years and each member of CA can serve for a maximum of two (2) consecutive terms.
 - D.1.5. Members of CA are proposed appointed and dismissed by the Board of Commissioners. Resignation as a member of the train must be in writing and submitted to the Board no later than one month prior to the effective date of resignation.
 - D.1.6. If one member of CA is unable to perform his/her duties and responsibilities for any reason, thus reducing the number of members of CA to under 3, the Board of Commissioners will appoint an independent member who may serve temporarily for a maximum of 6

(six) months while waiting for the election and appointment of permanent member.

D.2. Meeting

- D.2.1. CA hold meetings at least quarterly. Formal agenda and location of the meeting includes information on the major issues will be presented before convening of the meeting.
- D.2.2. CA may invite the parties to attend a meeting of railway as far as it deems necessary.
- D.2.3. If necessary, CA may hold a closed meeting with the GIA, Corporate Legal, External Auditor, and other stakeholders in the Company.
- D.2.4. The entire process, including dissent, documented in the minutes of the meeting. Minutes of the meeting signed by all members and distributed to CA and BOC.
- D.2.5. Meeting quorum is a minimum of 2/3 of members of CA. Meeting suspended if the quorum is not met. The decision may be taken if approved by more than ½ members of CA.
- D.2.6. CA decision is taken based on consultation and consensus.

E. Against Charter Change and Performance Audit Committee

E.1. The Audit Committee shall:

- E.1.1. Reviewing and updating the charter trains, as deemed necessary and approved by the Board of Commissioners on changes made; and
- E.1.2. Evaluating the performance of CA together with the Board of Commissioners regularly.

E.2. If part or all of the contents of this Charter contradict with the related government regulations, then the applicable provision of the Government regulation shall prevail.

F. Others

- F.1. CA must maintain full confidentiality of all information and data regarding the AI or any Group company NPH submitted to or received by CA.
- F.2. CA will perform his duties in accordance with the Code of Conduct