

INTERNAL AUDIT CHARTER

PT ABM INVESTAMA, TBK

CHAPTER I

INTRODUCTION

Article 1

Definitions

1. Company is PT ABM INVESTAMA TBK;
2. Subsidiary is a business entity incorporated in the form of Limited Liability Company or other another establishment similar to Limited Liability Company, in which the Company's shareholding is, either directly or indirectly, more than 50% of the shares issued by such a Subsidiary;
3. Affiliate is a business entity incorporated in the form of Limited Liability Company or other another establishment similar to Limited Liability Company, in which the Company's shareholding is, either directly or indirectly, less than 50% of the shares issued by such an Affiliated Company;
4. Assets is assets owned by the Company, including assets of Subsidiary that are included into the Company's Consolidated Financial Statements.
5. Good Corporate Governance (GCG) is a process and mechanism used by the Company in order to increase business success and improve the Company's accountability in order to realize the corporate value by taking into account the best interest of the stakeholders based on the statutory regulations, moral and ethics;
6. Company's Organs are General Meeting of Shareholders (GMS), the Board of Commissioners and the Board of Directors;
7. Board of Commissioners is all members of the Board of Commissioners applicable as a unit of Board;
8. Member of the Board of Commissioners is a member of the Board of Commissioner as referring to individual (not as Board);

9. Board of Directors is all members of the Board of Directors applicable as a unit of Board;
10. Director is a member of the Board of Directors as referring to individual (not as Board);
11. Management is the Board of Directors and officers who are 1 (one) level below the Board of Directors who assist with management of the Company;
12. ABM Members are the Board of Directors, the Board of Commissioners, organs supporting the Board of Commissioners and employees, both permanent and non-permanent, of the Company.
13. Internal Audit Charter is working guidelines of the Company Internal Audit Unit which contains the purposes, vision, missions, structure and work relationship, functions, duties and responsibilities, authorities, scope, policies, standards, codes of conduct, evaluation and perfection;
14. Stakeholders are parties who have interest with the Company, either directly or indirectly, namely employees, creditors, vendors, the community and regulators and other interested parties;
15. Early warning system is an early warning system to the Management line-up that a step taken is incorrect, this warning is given with an intention that the Company will not suffer much higher losses;
16. Internal Audit is an activity of giving assurance and consultation that is independent and objective with the intention to increase values and improve the operation of the company, through a systematic approach by means of evaluating and improving the effectiveness of risk management, control and processes of corporate governance;
17. Operational audit is an audit process to ensure that the Company's operational activity has been carried out effectively, efficiently and economically to achieve the targets and objectives of the Company;
18. Compliance audit is an audit process to ensure that the management policies, the company regulation, the company procedures have been performed in accordance with the prevailing provision and statutory regulations;
19. Financial audit is an audit process to ensure the adequate reliability, accuracy, authorization, clarification of data financial so that the Company's Financial Statements are presented fairly and free from material misrepresentation, based on the prevailing Financial Accounting Standards;

20. Business Audit is an audit process to ensure the management process has been performed on proper, preventive and anticipative basis to minimize business risk in decision making process;
21. Fraud is any unlawful action that is deceitful, concealing or misusing a trust that is conducted by parties and or organizations to gain benefit for individuals or groups;
22. Conflict of interest is a condition in which the ABM Members unable to perform their duties and responsibilities in making decisions objectively as the authority they have in ABM. Such a condition can benefit to individuals, family or other parties outside ABM itself that results in losses to ABM because ABM will not get choices or maximum results;
23. Business process is working steps taken by the Company or Subsidiary in achieving the profit targets as established by the Company or the Subsidiary;
24. Soft Skill is a skill, behavior, values, mood in individuals and personal communication between individuals within the organization, such as competence, trust, togetherness values, ethics and others;
25. Hard control is a facility, organizational apparatus, arrangement of authority and responsibility in decision making process and implementation of activities, in the form of policies and procedures, organizational structure, authorization, documents.

Article 2

Purposes of Internal Audit Charter

1. As a guideline and work instruction for the Internal Audit Unit in performing the functions and roles effectively
2. To improve the integrated control system between the Company and the Subsidiaries in order to ensure that the operational activities are conducted properly and able to improve corporate values of the Company through effective implementation of the corporate management based on Good Governance and risk management principles;
3. To improve quality of the Internal Audit system and resources on an ongoing basis so that, expectably, with increasingly better control system, the achievement of the established targets can be maximized.

CHAPTER II

VISION, MISSIONS AND ORGANIZATIONAL STRUCTURE

Article 3

Vision

To be an independent, objective, professional, reliable, responsive and reliable work partner for the Company and the Subsidiaries.

Article 4

Missions

1. To assist the Board of Directors of the Company or the Subsidiaries in carrying out assessment activities objectively and independently and to report to the President Director or the Director in charge on accurate, reliable, timely, consistent and useful basis;
2. To provide added values both qualitatively and quantitatively, through work pattern that focuses on business process and customers, pro-active, enthusiastic and reliable, able to communicate effectively;
3. To carry out a risk-based internal audit, perform the roles as a professional catalyst, advisor and facilitator;
4. To improve competence to become a professional Internal Auditor.

Article 5

Internal Audit Structure

1. Internal Audit Unit Structure
 - a. Internal Audit Unit is led by an Internal Audit Unit head;
 - b. The Internal Audit Unit Head is appointed and dismissed by the Board of Directors on approval of the Board of Commissioners;
 - c. The President Director may dismiss the Internal Audit Unit Head, after obtaining approval of the Board of Commissioners, if the Internal Audit Unit Head does not comply with the requirements as an auditor of Internal Audit Unit or fails or incompetent to perform the duties;

- d. The Internal Audit Unit Head is responsible to the President Director.
- e. Auditors who are in office in the Internal Audit Unit are responsible directly to the Internal Audit Unit Head;
- f. Number of the internal auditors in the Internal Audit Unit is adjusted to the extent and complexity level of the Company's business activity and consist of at least one internal auditor. In case the Internal Audit Unit consists of one internal auditor, such an internal auditor also acts as the Internal Audit Unit head;
- g. Every appointment, replacement or dismissal of the Internal Audit Unit Head shall be notified immediately to the Financial Services Authority-FSA (OJK) or similar body according to the provisions in the prevailing statutory regulations (if the Company has Gone Public);

Article 6

Requirement of the Auditors in the Internal Audit Unit

- 1. Have integrity and professional, independent, honest, and objective behavior;
- 2. Have knowledge and experience on audit techniques and other science disciplines that are relevant to their area of duties;
- 3. Have knowledge on prevailing statutory regulations in capital market sector and other related statutory regulations;
- 4. Have capability to interact and communicate both verbal and in writing effectively;
- 5. Shall comply with the professional standards issued by the Internal Audit association;
- 6. Shall comply with the ethical code of Internal Audit;
- 7. Shall keep confidentiality of information and/or data of the Company or the Subsidiaries related to performance of duties and responsibilities of Internal Audit except otherwise obliged under the statutory regulations or orders/judgments of courts;
- 8. To understand the good corporate governance and risk management principles; and
- 9. Not to serve concurrently the duties and positions of auditor and operational activity implementer in the Company and the Subsidiaries.

Article 7

Work Relationship With the External Auditor, Audit Committee and Other Parties.

1. Relationship with the External Auditor, namely
 - a. To coordinate with the external auditor to reduce possible duplication.
 - b. To ensure that the data comply with the criteria: *accurate, reliable, timely, consistent and useful.*
2. Relationship with the Audit Committee, namely:
 - a. To communicate annual audit plans of the Internal Audit Unit;
 - b. The Audit Committee ensures that the Internal Audit Unit has adequate and competent methodologies, tools and resources so that able to comply with the provisions in the Internal Audit Charter;
 - c. The Audit Committee convenes coordination meetings at least once a month to discuss performance of the Internal Audit Unit;
 - d. The Audit Committee analyzes the Internal Audit performance report at the same time monitors follows-up of the audit results.
3. Relations with other external parties, namely the Internal Audit Unit of Affiliates and the Internal Audit Unit of Subsidiaries in the form of coordination on implementation of joint audits and technical assistance.

CHAPTER III

FUNCTIONS, DUTIES & RESPONSIBILITIES AND AUTHORITIES

Article 8

Functions

1. To be an independent appraiser that plays roles to assist the Board of Directors in safeguarding investments and assets of the Company or the Subsidiaries effectively in terms of accounting and auditing;
2. To conduct analysis and evaluation of effectiveness of the systems and procedures in all of activities of the Company or the Subsidiaries and the supporting functions;
3. To coordinate with the Audit Committee and external auditors to allow achievement of smooth audit process.

Article 9

Authorities

1. To access all of the relevant information, to make direct communication with the Board of Directors and the Board of Commissioners as well as the Audit Committee on knowledge of the commissioners;
2. To conduct audit by controlling temporarily Assets of the Company and/or the Subsidiaries in the frame of performing their duties as Internal Audit;
3. To hold meetings on periodic and incidental basis with the Board of Directors, the Board of Commissioners, and the Audit Committee;
4. To coordinate their activities with those of external auditors;
5. To prepare proposals of changes in and implement the Internal Audit Charter;
6. To verify and test reliability of information those are obtained in relation with assessment of effectiveness of the audit system;
7. To assess and analyze activities of the Company or the Subsidiaries, but having no authority in implementation of and no responsibility for the activities analyzed/audited;

8. The Internal Audit Head may allocate any resources, focuses, scope schedule of the auditor, and any application of Audit techniques to achieve the objectives of audit, to clarify and discuss the audit results, to ask for verbal/written responses to the auditee, to give advices and recommendations.

Article 10

Duties and Responsibilities

1. To prepare and implement the annual internal audit plans;
2. To test and evaluate implementation of internal control and risk management system in accordance with policies of the Company or the Subsidiaries;
3. to conduct audit and assessment of the efficiency and effectiveness in terms of finance, accounting, operations, human resources, marketing, information technology and other activities;
4. To give advices for improvement and objective information on the activities audited at all levels of management;
5. To make audit report and to submit the report to the President Director and the Board of Commissioners, if necessary the audit results and the report shall be submitted to the Board of Directors;
6. To monitor, analyze and report the implementation of follow-up to the improvement recommended;
7. To cooperate with the Audit Committee;
8. To prepare programs to evaluate the quality of internal audit activity conducted including integrity and objectivity of the auditors;
9. To conduct special examination if necessary on proposal of the internal audit or as assigned by the Board of Directors; and
10. To keep and maintain Assets of the Company and the Subsidiaries during exercising their authorities as Internal Audit.

CHAPTER IV

SCOPE OF THE AUDIT

Article 11

Scope of the Internal Control

1. To ensure that any information or data managed and reported meet the criteria of *accurate, reliable, timely, consistent and useful*;
2. To ensure that the maintenance and utilization of assets of the Company or the Subsidiaries occur properly;
3. To ensure that the use of the company resources are managed efficiently and effectively;
4. To ensure that all the elements in the Company or the Subsidiaries comply with the prevailing policies, procedures, regulations and laws;
5. To assist in ensuring the achievement of targets of the Company or the Subsidiaries in accordance with the plan;
6. To conduct audit, evaluation and consultation on capabilities, effectiveness, and quality of implementation of the operation management tasks including but not limited to implementation of tasks of procurement, purchasing, finance and risk management;
7. To provide assurance for reliability of data including appropriate completeness, accuracy, classification and authorization so that the financial statements produced are on time, appropriate and free of material misrepresentation;
8. The audit implementation effectiveness is conducted based on *Risk Based Audit* where selection of auditee is conducted with risk assessment stages in both the Company and the Subsidiaries.

Article 12

Scope of Corporate Governance

1. To oversee the process and implementation of Good Corporate Governance (GCG) in the Company and the Subsidiaries;
2. To ensure that all Business Processes in the Company and the Subsidiaries meet the accountability aspect and to detect business risks by evaluating activities that affect business decisions of the Company or the Subsidiaries;

3. To ensure that the line Management have set corporate values and targets of the Company or the Subsidiaries and communicated them with stakeholders;
4. To monitor compliance with the policies supporting the implementation of GCG (soft structure *Good Corporate Governance*) of the Company and the Subsidiaries;
5. To monitor compliance with the statutory regulations or other regulations applicable to the Company or the Subsidiaries;
6. To review the Good Corporate Governance practice in the Company or the Subsidiaries and to give report if there is any serious discrepancy;
7. To detect the presence of a fault/discrepancy that indicates any fraud.

Article 13

Provisions of the Audit

If management needs anything beyond the provisions of the audit, it will be determined based on the auditee on an ad hoc audit (special) basis and based on request of the auditee and the time taken can be beyond the normal provision (annual plan) based on approval of the President Director or the Director in charge.

CHAPTER V

AUDIT STANDARDS

Article 14

General Standards

1. Audit Standard is a requirement to be fulfilled to maintain the quality of auditors' performance and their audit results in performing their duties;
2. The auditing standards emphasize not only on the importance of the professional auditor quality but also on how the auditor takes considerations and makes decisions when conducting audit and reporting;
3. Internal audit results that meet the standards are useful for performance of managerial tasks of the work unit being audited, as well as for the Audit Committee and the external audit;
4. The audit standards include:
 - a. Professionalism of the Internal Auditor.
 - b. Work scope of the audit.
 - c. Audit planning.
 - d. Audit implementation.
 - e. Audit reporting.
 - f. Follow-up to the audit results.

Article 15

Professionalism Standards of Internal Auditors

1. Independence standard
 - a. Being independent, namely, able to perform audit tasks freely, both organizationally and personally, to the auditee and their organization. Thus, the auditor is able to give important opinions that are impartial, free from influence of other parties and not prejudicing in implementation and reporting of audit results;

- b. Being honest to themselves and convinced that their work result is reliable and trustworthy. For that purpose, the auditors must not exclude objective considerations found in their audit tasks;
 - c. Not to utilize any information they obtained for personal interest or benefit or other things that are reasonably alleged of being misused either by themselves or by others who are unauthorized.
 2. Internal Audit Proficiency Standards must be implemented by the Auditors who either individually or collectively have adequate professional capability and careful precision in their area of duties.
 - a. Responsibilities of the Internal Audit Unit in complying with the professionalism proficiency standards include:
 - Recruitment, selection and assignment of Internal Auditor personnel who meet the requirements of task demands, in terms of both education, technical ability in accordance with the extent of coverage and complexity of the audit task;
 - Assigning an auditor team chairman who is experienced and expert so that a good supervision can be realized since the audit planning, audit implementation, reporting to monitoring of follow-up to the audit results. This supervision is carried out carefully and on well-documented basis, and its effectiveness can be tested.
 - b. Responsibilities of the Auditors related to the professionalism capability standards include:
 - Compliance with the Audit Standards and the Ethical Code of the Internal Audit;
 - Mastery of knowledge (theory) and capability (practice) of specific science disciplines related to their audit tasks. This capability must be able to be applied in the form of procedure standards and audit techniques in sound business practices;
 - Improving ability of verbal and written communication so that able of communicating effectively with the auditee and the Management Line;
 - Maintaining the audit technical ability by learning through training, seminars or book/periodical journals, so that keeping abreast of standards, procedures and techniques of company audit, including development of insurance business.

- c. Maintaining and increasing the professional ability and accuracy by considering:
 - Work scope of audit to be conducted so that the audit objectives can be achieved;
 - Materiality or significance of the problems encountered;
 - The existing operation standard that is acceptable/can be complied with by the implementer;
 - Audit costs compared with the potential benefits to be obtained.
- d. Maintaining level of accuracy and alertness to possible discrepancy, waste, ineffectiveness and weaknesses of internal control, by conducting test and verification properly and accountably without necessity to do the same for the whole processes or transactions.

Article 16

Standard Scope of Audit

1. The work scope of audit includes testing and assessment of:
 - a. Finance and compliance with the statutory regulations including compliance with the Company Work Plan and Budget (RKAP) which has been established;
 - b. Reliability and effectiveness of the company internal control system and operation activities including risk management;
 - c. Quality of implementation performance of an activity particularly analysis of benefits and costs used in the activity.
2. The work scope of internal control system audit has the following objectives:
 - a. The internal control system reliability audit aims to ensure that the system used is able to achieve targets of the Company or the Subsidiaries efficiently and economically;
 - b. The internal control system effectiveness audit aims to ensure that the system can run properly, so that material errors, discrepancies or unlawful actions can be prevented or detected and corrected early;

- c. Audit of the quality of implementation performance of internal control tasks aims to ensure that the targets and objectives of the Company can be achieved optimally.

Article 17

Audit Planning Standards

1. Preparing the activity planning that is consistent and in conformity with the programs and targets of the Company's including, among other things:
 - a. The Company Audit Long Term Work Plan (RKJP) for 5 (five) years period that is adjusted to the Company Long Term Plan;
 - b. The Company Annual Audit Work Plan as described in the Annual Work Plan (RKT) and the Annual Audit Work Program (PKPT) for routine and special Audit Program for non-routine.
2. The Work Plans, both long term and short term, must be based on the Internal Audit Charter and the strategic plan of the Company;
3. Preparation of the Company Annual Audit Work Plan should consider the following:
 - a. Purposes, type and extent of the work scope, implementation schedule, reporting and location of the audit;
 - b. Provision on criteria of performance success and performance indicators in each of the audit activities or programs;
 - c. Availability of budget, time, number of personnel and other equipments;
 - d. Programs for human resource needs and development programs including:
 - Job description of every level of auditor;
 - Qualification requirements and individual ability of every level;
 - Training and development programs for each auditor;
 - Performance assessment, coaching and counseling for each auditor as part of the professionalism development process for the auditors.

- e. Information and background of the auditee. If necessary, practices of the prospective auditee are mapped. If they have ever been audited, then, the results of follow up which has been suggested and how it impacts on the audit to be conducted should be examined;
- f. Targets of the audit must be stated clearly, so that the auditors can know exactly the specific problems that must receive priority of examination:
- g. Determination of audit procedures and techniques to be used to ensure that the audit can achieve the targets without hindering other possible considerations based on expertise of the auditors;
- h. Requirements of audit implementing resources including number of auditors and areas of expertise required, level of experience desired and, if necessary, use of external expert personnel/consultants, working facilities required and the audit cost;
- i. Communicating the audit plan with related parties, particularly regarding form of activity, activity schedule, resources required and, if necessary, initial survey plan before the audit is implemented. This initial survey is intended to reduce the audit risks and things that need to be anticipated or further exploration.

Article 18

Audit Implementation Standards

1. In conducting a audit, the Internal Auditor must use appropriate procedures and techniques in carrying out collection, examination, evaluation and analysis of information and in documenting their work results such that:
 - a. All information related to the objectives and the scope of audit together with factual evidences obtained has met the audit requirements;
 - b. There is assurance that the audit procedures and techniques used, including the sampling methods, classification method until the conclusion inference on the finding results conform to the audit targets;
 - c. The collection of information until the conclusion inference on the finding results is conducted objectively and kept properly;
 - d. Format of paper works and reporting of findings is sufficiently communicative for the audit team themselves and particularly for the auditee. Some provisions on this paper work include:

- Complete and accurate coverage;
- Neat, clear and concise display;
- Systematic, easy to read and understand;
- The information presented is relevant and correct in accordance with the purposes of the audit.

2. The audit implementation must ensure there is:

- a. Reliability and correctness of financial and operating information of the Company. The Internal Auditors must examine the method in use to identify, classify, measure and report the information, so that their reliability and correctness can be assured. For that purpose, presentation of financial statements and operations of the Company must be tested whether they are accurate, reliable, timely, complete, and containing useful information and conforming with the acceptable accounting principles;
- b. Compliance with the policies, the work plan and budget, the procedures and the statutory regulations. For that purpose, the Internal Auditor must examine and review whether the system used is adequately appropriate and effective in assessing whether the activity being audited complies with the provisions in question;
- c. Security of assets of the Company or the Subsidiaries, including examining existence of the assets in accordance with the proper procedures;
- d. Efficiency of use of resources of the Company and the Subsidiaries, for this purpose the Internal Auditor must examine whether:
 - The operating standard has been made do that able to measure the efficiency and savings achieved;
 - The operating standard used can be understood easily and can be implemented effectively;
 - Any deviation from the operating standard can be easily identified, analyzed and can be reported to the person in charge of the activity to take the corrective actions;
 - There are conditions in which the facilities used are substandard, non-productive work, excess/shortage of labors, use of facility system that are less accountable from cost aspect.

- e. Outputs of activity or operation in conformity with the targets and objectives to be achieved. For this, the Internal Auditor must examine whether:
 - The program or operation is conducted in accordance with the plan;
 - The criteria in use to measure the results obtained are adequate and fit with the objectives;
 - Information and data on the results obtained can be compared with the criteria prepared and fit with the objectives;
 - The findings of integrated (holistic) audit results have been communicated to the relevant unit leaders.
3. The Internal Audit Unit must coordinate with the Audit Committee and the external auditors to avoid overlapping of audit and to minimize possibility of duplication of the audit activity. This can be conducted by means of:
 - a. Periodic meetings with the Audit Committee and the external auditors in the frame of audit implementation;
 - b. Harmonization of the audit program and the reciprocal access with their respective audit programs and paper works;
 - c. Exchange of audit reports and management letters of the Public Accountant Offices that have been appointed to be external auditors;
 - d. Equal perception on the techniques, methods and terminology of audit so as to obtain uniformity in their use.

Article 19

Audit Reporting Standards

The Internal Auditor must report their audit results to the auditee and the employer. In presenting the audit report, the Internal Auditor must pay attention to the following matters:

- a. Draft audit report that contains the findings, items of conclusions and items of recommendations analyzed and discussed together with the leader and staffs of the auditee to avoid any misunderstanding;
- b. The audit report must disclose the objectives, work scope, findings and conclusions in the form of opinion of the Internal Auditor on impact of the findings on the activity being audited;

- c. The finding report shall be, among other things:
- Objective: impartial, free from prejudice and free from error;
 - Clear: easy to understand, logical, straightforward and simple and avoiding complicated technical languages;
 - Concise: straightforward to the core of problem, not long-winded;
 - Constructive: helping the auditee more towards improvement.
- d. The audit report should disclose more the following matters:
- Things that are still problems and not resolved yet until the audit ends;
 - Recognition on the auditee's performance, results of improvement which have been implemented, particularly if this improvement can be applied to other parts;
 - Recommendations of follow-up if indeed there are things that need improvement in the work processes of the auditee.
- e. In the event any disagreement occurs between the auditee leader and the Internal Auditor concerning the finding results and the conclusions of audit results, then this disagreement must also be disclosed in the audit report;
- f. Internal Audit Unit Head must analyze and approve the audit reports prior to issuing and distributing the report;
- g. The report distribution shall be submitted to the Board of Directors of the Company or the Subsidiaries as a form of accountability of the Internal Audit Unit and carbon copied to the Board of Commissioners of the Company or the Subsidiaries and the Audit Committee.

Article 20

Audit Result Follow-Up Standards

Ensure that the finding results or recommendations of the Internal Auditor have been implemented by the work unit. If not implemented, then the Internal Audit Unit Head must report them to the Board of Directors of the Company or the Subsidiaries.

CHAPTER VI

ETHICAL CODE

Article 21

General

1. Complying with, understanding and implementing the Company Code of Conduct of;
2. The Ethical Code provides for basic principles of behavior which, in the implementation, requires careful consideration from each of the auditors. Any violation of the Ethical Code may result in imposition of sanctions against the auditor in the form of warning, dismissed from the auditing assignment and or terminated from the Company.

Article 22

Code of Conduct

1. Integrity

Internal Auditor Integrity results in trust and provides basis for reliability of assessment. Therefore, the Internal Auditor:

- a. Shall be honest, objective, careful, conscientious and responsible in performing their duties;
- b. Shall have high integrity and loyalty to the profession, the Internal Audit Unit and the Company;
- c. Shall observe regulations and laws, avoid any illegal activities or actions that are detrimental or reasonably suspected to be detrimental to the profession or the Internal Auditor or the Company or the Subsidiaries;
- d. Shall respect and support reputation of the Company or the Subsidiaries from legal or ethical standpoints.

2. Objectivity

The Internal Auditors shall perform the best professional objectivity in gathering, evaluating and communicating any information on the activity or process being audited. The Internal Auditors shall make a balanced assessment on all of relevant conditions and shall not influence by their own interests or by other parties in making

then assessment. For that purpose, the Internal Auditor:

- a. Must not be involved in any activities or relationships that may result in a conflict of interest with the Company so that expected will affect their objectivity;
- b. Shall not receive any gifts in any form and from anyone, either directly or indirectly, that has another interest with the Company which impair or may potentially impair professional considerations of the auditors;
- c. Reporting all of material audit results by disclosing truth of existing facts and not concealing any matters that may harm the Company, the Subsidiary and or my result in violating the laws.

3. Confidentiality

The Internal Auditors shall respect the value and ownership of information they obtain and shall not disclose any information without proper authority unless there is legal or professional obligations that require the same to be conducted. For that purpose, the Internal Auditor:

- a. Shall be cautious in using and maintaining information that are required when performing their duties;
- b. Shall not utilize any information obtained for their personal interest or benefit or other things that are reasonably alleged able of causing losses to the Company or the Subsidiaries for any reason.

4. Competence

Knowledge, expertise and experience is highly required by the Internal Auditor in performing their duties. For that purpose, the Internal Auditor shall continuously improve their ability, effectiveness and quality of services in accordance with the professional standards of Internal Auditor, the Company policies and the statutory regulations.

CHAPTER VII

EVALUATION AND PERFECTION

Article 23

Evaluation, legalization and Perfection

1. The Internal Audit Unit needs to implement a quality assurance program as to evaluate the performance and to obtain adequate assurance that the Internal Audit's performance complies with the Internal Audit Charter and the objectives of the Company. For that purpose, the Internal Audit Unit must:
 - a. Conduct continuous supervision and empowerment since the planning, implementation, evaluation, reporting stages, until the monitoring of follow up;
 - b. Conduct internal analysis periodically together with the leadership and staffs or another independent team, to assess effectiveness of the audit, compliance of the auditor with the audit standards, the ethical code and other provisions and policies;
 - c. to conduct external analysis once every 2 (two) years together with the organization, team or individual who is capable, independent and having no conflict of interest with the Company, to give an assessment and opinion on effectiveness of the Internal Auditor in accordance with the Internal Audit Charter, the Company's objectives and other provisions.
2. The Internal Audit Unit Charter is established by the Board of Directors after obtaining approval of the Board of Commissioners;
3. The Internal Audit Unit must evaluate, study and make improvements to this Internal Audit Charter periodically in accordance with the Company's development and needs.