

# **AUDIT COMMITTEE WORK GUIDELINES**

## **PT Astra Graphia Tbk**



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### **Vision**

To be a driving force for corporate governance practices in increasing transparency, accountability, responsibility, independence and equality, and fairness.

### **Mission**

To assist the Board of Commissioners in supervising financial reporting, implementing internal control, compliance with laws and regulations, and encouraging the implementation of risk management.

### **A. Purpose**

The Audit Committee is a committee formed by and responsible to the Board of Commissioners with the main task of assisting the Board of Commissioners in supervising the Company's policies related to:

1. The quality of financial reporting process;
2. Implementation of internal control and business management to minimize the possibility of mismanagement;
3. The effectiveness of the Internal Audit function and External Audit;
4. Implementation of risk management; and
5. Matters that require attention from the Board of Commissioners.

### **B. Membership and Structure**

1. The Audit Committee consists of at least three members comprising of one Independent Commissioner and two independent members who appointed and dismissed by the Board of Commissioners based on the laws and regulations
2. The Independent Commissioner chairs the Audit Committee.

### **C. Membership Requirements**

Members of the Audit Committee should incorporate the following requirements:

1. Have integrity, ability, knowledge, and expertise in their field of work, as well as the capacity to communicate properly.
2. Understand the financial statements, the Company's business, the audit process, risk management, and capital market laws and regulations, as well as laws and regulations related to the Company's business activities.
3. At least one member has expertise in accounting and finance.
4. Willingness to continue to improve and learn through education and training.
5. Not a person who has provided services to the Company in the recent six months (public accounting firm, legal consultant, appraisal services, insurance, and non-assurance services, and other consulting services).

6. Not a person who has worked or supervised the Company's activities in the previous six months, except for the Independent Commissioner.
7. Does not own any of the company's shares.
8. In the event that a member of the Audit Committee acquires shares of the Company as a result of a legal event, the shares must be transferred to another party within six months of the acquisition date.
9. Has no affiliation with members of the Board of Commissioners, members of the Board of Directors, or the Company's Major Shareholders.
10. Has no business relationship related to the Company's business activities, either direct or indirect.

#### **D. Term of Office**

The term of office of the Audit Committee may not be longer than the term of office of the Board of Commissioners in accordance with the Company's Articles of Association and may be re-elected only for one subsequent period.

#### **E. Duties and Responsibilities**

1. To review the financial information to be published by the Company such as financial reports, projections, and other financial information.
2. To review the Company's compliance with the laws and regulations in the Capital Market sector and other laws and regulations related to the Company's activities.
3. To provide an independent opinion in the event of a difference of opinion between management and the Public Accountant.
4.
  - a. To provide recommendations to the Board of Commissioners regarding the appointment and/or dismissal of a Public Accounting Firm based on independency, scope of assignment, and fees for services.
  - b. To conduct discussions with the Public Accounting Firm regarding:
    - i. Audit plan and scope for annual audit;
    - ii. Annual audit results and opinions given;
    - iii. The adequacy of the Company's internal control; and
    - iv. Compliance with laws and regulations.
5. To Review the implementation of the Internal Audit examination and supervise the implementation of follow-up actions by the Board of Directors on the findings of the Internal Audit, including conducting a joint review of:
  - a. Plan and scope of internal audit activities;
  - b. The results of the inspections carried out;
  - c. Implementation of the Company's internal control; and
  - d. Internal Audit Work Guidelines.
6. To Review and report to the Board of Commissioners on the activities of implementing risk management by the Board of Directors.
7. To Review complaints related to the accounting and financial reporting processes.
8. to Review and provide advice to the Board of Commissioners regarding potential conflicts of interest and/or other matters or events deemed necessary to be reported by the Board of Directors.
9. To perform other tasks assigned by the Board of Commissioners.

## **F. Authorities**

1. To Access Company data and necessary Company resources.
2. To communicate directly with employees, including the Board of Directors and those in charge in the function of internal audit, risk management, and accounting, related to the Audit Committee's duties and responsibilities.
3. To hold meetings with members of the Board of Directors or other key employees to find out how the Company manages its business activities and how to mitigate risks.
4. To perform other authorities given by the Board of Commissioners.

## **G. Work Procedure**

1. Implementation of the duties and responsibilities of the Audit Committee and the opinions and suggestions given are based on/depending on the information provided by the management of the Company, public accountants, and other internal and external parties.
2. In performing its duties and responsibilities, the Audit Committee acts independently.
3. Administrative coordination of the implementation of the duties of the Audit Committee is carried out by the Corporate Secretary.

## **H. Meeting and Quorum**

1. The Audit Committee shall hold regular a meeting at least once every 3 (three) months.
2. Invitations for The Audit Committee meeting are issued by the Chairman of the Audit Committee or the Corporate Secretary with the approval of the Chairman of the Audit Committee at least 7 (five) days before the meeting is convened.
3. The meeting quorum is at least 2/3 (two-thirds) of the Audit Committee's members. If a quorum is not present, the meeting is adjourned.
4. The Chairman of the Audit Committee chairs the meeting, or in the event that the Chairman is unable to attend, a member of the Audit Committee who has been approved by the other members of the Audit Committee present chairs the meeting.
5. Resolutions of the meeting shall be taken based on deliberation to reach a consensus. If a consensus is not achieved, the resolutions shall be taken based on a majority vote.
6. The Audit Committee may take legal and binding decisions without convening a meeting if all members of the Board of Commissioners have been informed in writing and give their written approval to the proposal submitted.
7. Meeting decisions are stated in the minutes of the meeting, including if there is a dissenting opinion, which is signed by all members of the Audit Committee present at the meeting.
8. Minutes of the meeting are submitted to the Board of Commissioners.

## **I. Reporting**

1. The Audit Committee provides reports regularly to the Board of Commissioners, matters related to (a) substantial violations of laws and regulations by the Company, (b) substantial errors/errors in financial statements, internal control, and the independence of the External Auditor.

2. The Audit Committee provides a written report to the Board of Commissioners every three months with details of the activities of the Audit Committee, including recommendations for follow-up and details of significant matters that need the attention of the Board of Commissioners.
3. The Audit Committee provides an annual report on the implementation of the Committee's activities to the Board of Commissioners and is contained in the Annual Report.
4. The Audit Committee provides reports for special tasks assigned by the Board of Commissioners.

**J. Handling of Complaints or Reports Regarding Alleged Violations related to Financial Reporting**

1. In the event there are complaints or reports regarding violations related to financial reporting, the Audit Committee is required to review the matter with related parties within the Company.
2. The Audit Committee provides recommendations to the Board of Commissioners on the results of the review.

**K. Changes to the Audit Committee Work Guidelines**

1. The Audit Committee will:
  - a. Review and update the Work Guidelines as deemed necessary and obtain approval from the Board of Commissioners for the changes made; and
  - b. Evaluate the performance of the Audit Committee together with the Board of Commissioners regularly
2. If part or all of the contents of the Audit Committee's Work Guidelines conflict with the applicable regulations, then the prevailing laws and regulations are applicable.

**L. Others**

1. The Audit Committee is required to maintain the full confidentiality of all information and data regarding the Company or its subsidiaries.
2. The Audit Committee will carry out its duties in accordance with the Company's Code of Ethics.