

INTERNAL AUDIT CHARTER

(Does not apply to PT. APP Purinusa Ekapersada, only apply to subsidiaries and/or affiliates of PT. APP Purinusa Ekapersada that is a public company and/or bond issuer)

I. INTRODUCTION

Internal Audit is an activity of providing assurance and consulting that is independent and objective, with the aim of increasing the value and improving the Company's operations, through a systematic approach, by evaluating and improving the effectiveness of risk management, control, and corporate governance processes.

The Internal Audit Charter is a formal written charter which is the commitment of the Board of Directors and the Board of Commissioners in an effort to create good supervisory conditions within the Company. The Internal Audit Charter that has been ratified will serve as a guideline and direction for the Internal Audit Unit in carrying out its duties and responsibilities. The Internal Audit Charter is socialized to be understood by all related parties to create good cooperation in realizing the Company's vision, mission and goals.

II. INTERNAL AUDIT UNIT POSITION

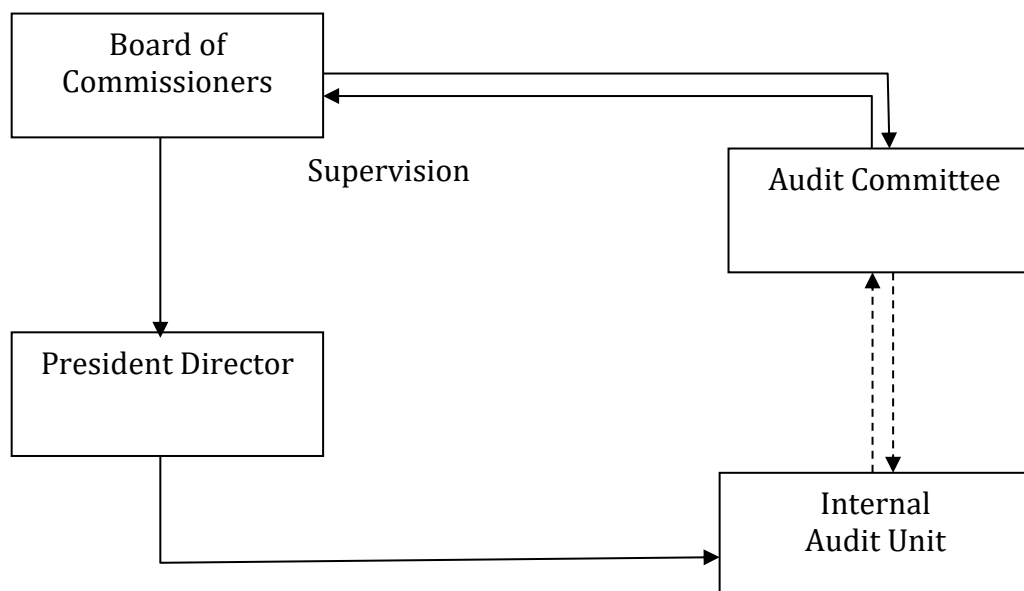
The Internal Audit Unit is an independent audit team formed in the Internal Audit Division led by a Head of Internal Audit.

The Head of the Internal Audit Unit is appointed and dismissed by the President Director with the approval of the Board of Commissioners. If the Head of the Internal Audit Unit does not meet the requirements as an auditor of the Internal Audit unit as stipulated in this regulation or fails or is incompetent to carry out his duties, the President Director may dismiss the Head of Internal Audit after obtaining approval from the Board of Commissioners.

The Head of the Internal Audit Unit reports directly to the President Director. Auditors at Internal Audit Unit are directly responsible to the head of the Internal Audit Unit.

The Head of the Internal Audit Unit and Auditors who sit in the Internal Audit unit do not have concurrent duties and positions in the implementation of the Company's and its subsidiaries' operational activities.

III. INTERNAL AUDIT UNIT STRUCTURE



IV. DUTIES AND RESPONSIBILITIES OF INTERNAL AUDIT UNIT

1. Internal Audit Duties

In carrying out its role, the Internal Audit Unit has the following duties:

- a. Prepare an annual audit work plan including budget and resources and coordinate with the Company's Audit Committee.
- b. Conduct a special audit at the request of the Company's management.
- c. Use risk analysis to develop an audit plan.
- d. Assist the Board in fulfilling their corporate management responsibilities by conducting inspections and assessments of efficiency and effectiveness in finance, accounting, operations, human resources, marketing, information technology and other activities.
- e. Participate as an advisor in designing a system for the Company.
- f. Ensure that all Company assets are reported and protected from damage and loss.
- g. Provide advice or consultation on matters relating to governance, risk management and internal control.
- h. Assessing the quality of performance of work units within the Company by providing suggestions for improvement and objective information about the activities examined at all levels of management.

- i. Carry out operational and compliance audits on management activities aimed at ensuring that the Company's policies, plans and procedures and applicable laws have been carried out properly.
- j. Make a report on the audit results and submit the report to the President Director and the Board of Commissioners on significant findings as a result of the examination conducted.
- k. Monitor, analyze and report on the implementation of follow-up improvements that have been suggested.

2. Internal Audit Unit Responsibilities

The Internal Audit Unit is responsible to the Board of Directors for the following:

- a. Evaluate assessment results on the adequacy and effectiveness of the Company's internal control structure and risk management as defined in the mission and scope of work of the internal auditors to assist the management decision-making process.
- b. Submit reports on any significant findings related to the control process of the Company and its subsidiaries, including providing suggestions for improvements that can be implemented.
- c. Provide periodic information or reports regarding the audit results that have been achieved with the targets set in the annual audit plan and the adequacy of the number of auditors required in carrying out their duties.
- d. Coordinate with various internal parties such as: Corporate Legal Affairs Division, Environment, Social and Energy Committee, Financial Committee, and others.
- e. Coordinate with various external parties such as external audit and others.

V. INTERNAL AUDIT UNIT AUTHORITIES

In carrying out its duties, the Internal Audit Unit has the following authorities:

1. Access relevant records or information about employees, funds, assets and other Company resources related to the implementation of tasks.
2. Verify and test the reliability of the information obtained, in relation to the implementation of tasks.
3. Hold regular and incidental meetings with the Board of Directors and the Board of Commissioners through the Audit Committee.
4. Coordinate its activities with the activities of external auditors.
5. Ask for advice and opinions from third parties or experts if needed in carrying out tasks.

VI. INTERNAL AUDIT UNIT ETHICAL CODE

In carrying out its duties, the Internal Audit Unit refers to the Internal Audit Professional Standards (SPAI) from the Consortium of Internal Audit Professional Organizations and the Code of Ethics from The Institute of Internal Auditors.

VII. INTERNAL AUDITOR REQUIREMENTS

Requirements for internal auditors who sit in the Internal Audit Unit:

1. Have integrity and professional, independent, honest and objective behavior in carrying out their duties;
2. Have knowledge and experience regarding technical audits and other disciplines relevant to their field of work;
3. Have knowledge of the laws and regulations in the capital market sector and other related laws and regulations;
4. Have the skills to interact and effectively communicate both verbally and in writing;
5. Must comply with professional standards issued by the Internal Audit association;
6. Must comply with the Internal Audit code of ethics;
7. Obligated to maintain the confidentiality of the Company's information and/or data related to the implementation of the duties and responsibilities of the Internal Audit unless required by laws and regulations or court decisions/decision;
8. Understand the principles of good corporate governance and risk management; and
9. Willing to continuously improve their knowledge, skills and professional abilities.

VIII. RELATIONSHIP PATTERN

1. Relationship with Auditee

In each supervisory assignment, Internal Audit provides an explanation to the head of the work unit as the Auditee for:

- a. Explain the purpose and scope of the assignment carried out before the activity begins.
- b. Discuss the problems encountered and recommendations at the time of completion of the assignment.

- c. Get full support from the Auditee in carrying out their duties, as well as monitor follow-up on recommendations from the findings of the Internal Audit in order to improve the performance of the Company's work units.
 - d. The responsibility for risk control and fraud prevention remains with the management of each work unit of the Company.
2. Relationship with Audit Committee
- Internal Audit coordinates with the Audit Committee by:
- a. Delivering the Annual Supervision Work Program (PKPT).
 - b. Submit a copy of the Audit Results Report (LHA) to the Audit Committee regarding the adequacy of internal control with the permission of the President Director.
 - c. Submit a copy of the report on fraud and provide information on the status of the case being investigated with the permission of the President Director.

IX. QUALITY IMPROVEMENT OF INTERNAL AUDIT

Internal Audit in carrying out its duties will carry out the principles of integrity, objectivity, confidentiality, and always maintain the competence or quality of its performance. In order to ensure a professional and consistent level of quality of Internal Audit performance, it is necessary to continuously improve the competence of Internal Audit personnel.

X. FUNCTIONAL INDEPENDENCE

Internal Audit has no authority and is not responsible for the Company's operations and has no rights over the operations of the audited department. Internal Audit is also not involved in the implementation of the internal control system, but can provide advice on the adequacy of existing controls or can provide recommendations to strengthen these controls.

Internal Audit will not engage in activities or relationships that diminish or are suspected of impairing an impartial assessment. Such involvement includes any activity or relationship that may create a conflict of interest within the Company.

Internally recruited auditors cannot audit the activities or functions they have performed within the last 2 years and are not allowed to audit their previous work.

Internal Audit is prohibited from having concurrent duties and positions as the executor of the Company's operational activities.

XI. CLOSING

1. This Charter and its amendments and renewals must be determined by the Board of Directors after obtaining approval from the Board of Commissioners.
2. If necessary, the Board of Commissioners, based on the Recommendation of the Audit Committee, may review and re-measure the adequacy of this Charter.
3. If there are changes to regulations and changes to the Company's Articles of Association related to the material of this Internal Audit Charter, then this Internal Audit Charter can be revised in accordance with applicable regulations. Any material changes to the Internal Audit Charter must obtain the approval of the Board of Directors and the Board of Commissioners.