

THE AUDIT COMMITTEE CHARTER

**PT Total Bangun Persada Tbk
2017**

CHAPTER I INTRODUCTION

1.1. BACKGROUND

As a company that has been listed on the Indonesia Stock Exchange (IDX) since 2006, PT TOTAL BANGUN PERSADA Tbk, hereinafter shall be referred to as the Company, is required to comply with all provisions of laws and regulations in the capital market where the Company's shares are listed, and with all provisions of laws and regulations related with the company's operations.

In addition, as a public company, the Company is committed to implementing Good Corporate Governance (GCG) in a consistent manner so that all operational activities are carried out on the basis of transparency, accountability, responsibility, independency, and fairness principles.

This Audit Committee Charter is formulated based on:

1. Law No. 40 of 2007 regarding Limited Liability Companies.
2. Regulation of Financial Services Authority No. 55/POJK.04/2015 regarding Establishment and Guidelines of Work Implementation of Audit Committee.
3. Regulation of Financial Services Authority No. 13/POJK.03/2017 regarding Use of Service of Public Accountant and Public Accounting Firm in Financial Service Activities.

1.2. VISION AND MISSION

Vision

To create the Audit Committee of the Company as an Audit Committee that have high competence, able to work professionally and independently in carrying out their duty to assist the Board of Commissioners.

Mission

To assist the Board of Commissioners in carrying out their supervisory duty and functions, particularly in regard with the effectiveness of internal control and sustainable

implementation of corporate audit activity, to encourage the healthy management of the Company in a consistent manner in accordance with the principles of Good Corporate Governance (GCG) which are based on the Transparency, Accountability, Responsibility, Independency, and Fairness values.

1.3. PURPOSES AND OBJECTIVES

The Audit Committee Charter, hereinafter is referred to as the Charter, serves as a Guideline for Duty Implementation of the Audit Committee and is formulated to guide the Audit Committee in conducting their duties and obligations in an efficient transparent, competent, independent, and accountable manner, according to the prevailing laws and regulations.

CHAPTER II
ESTABLISHMENT, ORGANIZATION, AND TERM OF OFFICE OF
AUDIT COMMITTEE

2.1 DEFINITION

In accordance with the Regulation of Financial Services Authority No. 55/POJK.04/2015 dated December 23, 2015, Audit Committee is defined as a committee established by the Company's Board of Commissioners which works collectively and functions to assist the Company's Board of Commissioners in carrying out their duties.

2.2. ESTABLISHMENT

The Audit Committee is established by virtue of the Decree of Board of Commissioners.

2.3. ORGANIZATION

2.3.1. Membership Structure

- a. Audit Committee shall consist of, at the very least, 3 (three) members originating from the Independent Commissioners and outside the Company.
- b. The Audit Committee shall be led by an Independent Commissioner.
- c. The Independent Commissioner is obliged to meet the following requirements:
 - 1) They shall not be an individual who works or has the authority and responsibility to plan, lead, control, or monitor the Company's activities within the last 6 (six) months, unless for the purpose of reappointment as an Independent Commissioner in the following period;
 - 2) They shall not have any share, both directly and indirectly, at the Company;
 - 3) They shall not have any affiliation with the Company, members of Board of Commissioners, Board of Directors, or Main Shareholders of the Company;and

- 4) They shall not have any business relationship, both directly and indirectly, with the Company's business activities.

2.3.2. Membership

The members of Audit Committee are appointed and dismissed by the Board of Commissioners.

2.3.3. Membership Requirements

a. Competency requirements

- 1) They must have high integrity, capability, knowledge, and adequate experience in accordance with their scope of works, and must be able to communicate properly.
- 2) They must be able to understand the Company's financial statements and business, particularly those related to the Company's business service or activity;
- 3) They must be able to understand audit process, risk management, and laws and regulations in the capital market, as well as other relevant laws and regulations;
- 4) They must be able to understand the code of conduct of Audit Committee determined by the Company;
- 5) They must be willing to improve their competencies continuously through education and training activities.
- 6) One of the members of Audit Committee, at the very least, shall have accounting and/or financial background and expertise

b. Independency requirements

- 1) They must not have any affiliation with the members of Board of Directors, Board of Commissioners, or Main Shareholders of the Company.
- 2) They must not have any business relationship, both directly and indirectly, with the Company's business activities.

- 3) They shall not be an individual who works or has the authority and responsibility to plan, lead, control, or monitor the Company's activities within the last 6 (six) months, except the Independent Commissioner.
- 4) They shall not have any share, both directly and indirectly, at the Company. In the event the members of Audit Committee acquire the shares due to a legal action, then, within no later than 6 (six) months since the acquisition, the shares must be transferred to other parties.
- 5) They shall not be an insider of a Public Accounting Firm, Legal Consultant Office, Public Appraiser Office, and other Parties that provide audit and non-audit service, or other consulting services to the Company within the last 6 (six) months.

2.3.4. Term of Office

The term of office of members of Audit Committee shall not exceed the term of office of Board of Commissioners as stipulated in the Articles of Association. The members of Audit Committee can be reappointed only for the following period.

CHAPTER III

DUTIES, RESPONSIBILITIES, AND AUTHORITY

The Audit Committee has a duty and responsibility to provide professional and independent opinion to the Board of Commissioners and carry out the duties assigned by the Board of Commissioners. In order to play an efficient and effective role in the Company, the duties, responsibilities, and authority of the Audit Committee are regulated below:

3.1. DUTIES AND RESPONSIBILITIES

The duties and responsibilities of Audit Committee are as follows:

3.1.1. Review on Financial Information

To conduct review on financial information disclosed by the Company to the public and/or authorities, covering the financial statements, projections, and other reports related to the Company's information.

3.1.2. Review on Compliance with the Laws and Regulations

To conduct review on the Company's compliance with the prevailing laws and regulations in the capital market, and other laws and regulations related to the Company's operational activities.

3.1.3. Provision of Independent Opinion

To provide independent opinion in the event of dissenting opinion occurring between the management and the Accountant on the service provided to the Company.

3.1.4. Appointment of Public Accountant and/or Public Accounting Firm

In the framework of general audit on the Company's financial statements, the Audit Committee has the following roles:

- 1) To recommend Public Accountant (PA) and/or Public Accounting Firm (KAP) to conduct audit on the Company's financial statements to Board of Commissioners.
- 2) In providing recommendation on PA and/or KAP, Audit Committee shall take into account the following:
 - a. The independency of PA, KAP, and insiders of KAP;
 - b. The scope of audit;
 - c. The fee for audit service;
 - d. The expertise and experience of PA, KAP, and Auditing Team of KAP;
 - e. The methodologies, techniques, and facilities of audit used by KAP;
 - f. The benefit of fresh eye perspectives to be gained from the replacement of PA, KAP and Auditing Team of KAP;
 - g. Risk potential in the consecutive use of service provided by the same KAP within a relatively long period of time; and/or
 - h. The result of evaluation on the implementation of audit service on the annual historic financial information by PA and KAP in the previous period, if any.
- 3) To evaluate the implementation of audit service on the annual historic financial information by PA and/or KAP.
- 4) Evaluation on the implementation of audit service on annual historic financial information by PA and/or KAP shall be conducted through, among others:
 - a. conformity of audit implementation by PA and/or KAP with applicable audit standards;
 - b. adequacy of work time on the field;
 - c. review on the provided service scope and sampling test adequacy; and
 - d. improvement recommendation provided by the PA and/or KAP.

3.1.5. Review on Audit Implementation by Internal Audit

To conduct review on the implementation of audit activity by Internal Audit and to monitor the implementation of follow-up activities conducted by Board of Directors on findings of Internal Audit.

3.1.6. Review on Risk Management Implementation Activities

To review the risk management implementation activities conducted by the Board of Directors, in the event the Company does not establish risk monitoring function under the Board of Commissioners.

3.1.7. Review on Complaints from Third Parties

To review the complaints related to the accounting process and financial reporting of the Company.

3.1.8. Provision of Advice to the Board of Commissioners Related to Conflict of Interest Potential

To review and provide suggestions to the Board of Commissioners on matters related to the potential of conflict of interest within the Company.

3.1.9. Document Confidentiality

To maintain the confidentiality of the Company's documents, data, and information.

3.2. AUTHORITY

In conducting their duties, the Audit Committee is authorized to:

- a. Access the Company's document, data, and information on the employees, funds, assets, and resources that are required by the Committee;
- b. Communicate directly with the employees, including the Board of Directors and parties conducting the functions of internal audit and risk management, and with the Accountant in relation to the duties and responsibilities of the Audit Committee;
- c. Involve an independent party outside the members of Audit Committee required to assist the implementation of their duties (if necessary); and
- d. Carry out other authority mandated by the Board of Commissioners.

3.3. RESPONSIBILITIES

The Audit Committee is responsible to the Board of Commissioners.

CHAPTER IV MEETINGS AND REPORTING

4.1 MEETINGS OF AUDIT COMMITTEE

- a. The Audit Committee shall hold meeting, at the very least, once every 3 (three) months.
- b. The meeting of Audit Committee can make a decision if it is attended by, at the very least, 1/2 (one half) of the total members.
- c. The meeting of Audit Committee is chaired by the Head of Audit Committee or the most senior member of Audit Committee, in the event the Head of Audit Committee cannot attend the meeting.
- d. If necessary, the Audit Committee may invite other parties related to the materials to be discussed in the meeting, to attend the relevant meeting of Audit Committee.
- e. Each decision of Audit Committee's meeting is made based on consensus to reach deliberation.
- f. The meeting of Audit Committee is documented in minutes of meeting, including the dissenting opinion occurred in the meeting. The minutes shall be signed by all members of Audit Committee attending the meeting to be then submitted to the Board of Commissioners.

4.2. REPORTING

The Audit Committee shall submit the following report to the Board of Commissioners:

- a. Report on each assignment implementation to the Board of Commissioners.
- b. Report on the implementation of annual activity of Audit Committee to be disclosed in the Company's Annual Report.

CHAPTER V CLOSING

Validity Period and Evaluation of Audit Committee Charter

1. This charter shall take into effect since November 8, 2017.
2. This charter shall be evaluated periodically for improvement.

Stipulated in : Jakarta

Date : November 8, 2017

Board of Commissioners of PT Total Bangun Persada Tbk

(signed)

Ir. Reyno Stephanus Adhiputranto
President Commissioner and Independent Commissioner

(signed)

Liliana Komajaya, MBA
Commissioner

(signed)

Pinarto Sutanto
Commissioner

(signed)

Drs. Wibowo
Commissioner

(signed)

Rudi Suryajaya Komajaya, MBA
Commissioner

(signed)

Drs. Rusdy Daryono
Independent Commissioner