



PT MADHANI TALATAH NUSANTARA
INTERNAL AUDIT CHARTER
CORP/BPLAN-IA/VIII/2014/0001

I. Vision & Mission

Vision

To maintain PT. Madhani Talatah Nusantara's (MTN) leadership in corporate governance standards and to be an integral component of the Company's overall risk management activities.

Mission

- To facilitate achievement of the Company's objectives; and safeguard the Company's value and reputation through effective provision of quality assurance and consulting services.
- To operate independently, effectively and efficiently using risk based Internal Audit methodology that is in accordance with international standards.

II. Structure and Position

- a. The BOD has overall responsibility for the Company's internal control. Internal controls are designed to manage, rather than eliminate business risk; to help safeguard the Company's assets against fraud and other irregularities; and to give reasonable, but not absolute assurance, against material misstatement or loss.
- b. Internal Auditor, under the guidance of the GM Finance, assists the BOD by reviewing the operation and effectiveness of the Company's system of internal control and the procedures by which this is monitored.
- c. The Internal Audit Manager reports to the GM Finance and the BOD.

III. Internal Audit Roles & Responsibilities

Internal audit's roles and responsibilities include, amongst other things:

- a. Develop and execute risk based Internal Audit Plan for the Company.
- b. Co-ordinate with other internal audit functions within the Company to ensure adequacy of audit coverage and quality of audit approach.
- c. Ensure the Company's organization structure, policies, standard operating procedures, accounting principles, business processes, risk management, internal control, fraud prevention, governance and information systems are appropriately aligned to effectively and efficiently achieve MTN goals in a manner that contains risks to an acceptable level and complies with applicable laws and regulations.
- d. Monitor compliance with Internal Audit Policies and Procedures through reviewing the quality of Internal Audit work.
- e. Identify opportunities to raise effectiveness and efficiency in the use of funds and resources.
- f. Undertake special projects as requested by BOD in a manner that does not conflict with the objective of independence.
- g. Co-ordinate internal and external audit work activities to avoid duplication.

Authority

- Internal Audit is authorized by the BOD to access all documents, records, properties and personnel of the Company within a reasonable timeframe. Any significant disagreement regarding such access will be reported to the BOD for resolution.

IV. Internal Audit Report and Follow Up

- a. The findings, recommendations, management responses and status of implementing audit actions will be reported to relevant Line Management, Senior Management, and BOD.
- b. Routine and ad hoc meetings will be held with the GM Finance and BOD as required for audit issue briefings.

V. Internal Audit Staff

Internal Audit Staff should, amongst other things:

- a. Be accountable to the BOD.
- b. Maintain a character of integrity and carry out his/her duties with professionalism, independence, honesty, and objectivity.
- c. Be knowledgeable and experienced with auditing techniques and other disciplines relevant to his/her field of responsibilities.
- d. Be knowledgeable with the rules and regulations that impact the Company's operations.
- e. Be able to communicate effectively using oral or written means.
- f. Safeguard the confidentiality of information and/or data received as a result of carrying out internal audit duties except where such information/data is required by regulation or court rulings.
- g. Understand risk and business management principles.
- h. Seek to continuously improve his/her professional knowledge, experience, and ability.
- i. Follow the Internal Audit Code of Ethics (attached to this Charter as an integral part of this Internal Audit Charter)

VI. Code of Ethic Internal Audit

The following code of ethics, amongst others, shall be followed by all Internal Audit staff of PT Madhani Talatah Nusantara:

Rules of Conduct

1. Integrity

Internal auditors:

- 1.1. Shall perform their work with honesty, diligence, and responsibility.
- 1.2. Shall observe the law and make disclosures expected by the law and the profession.
- 1.3. Shall not knowingly be a party to any illegal activity, or engage in acts that are discreditable to the profession of internal auditing or to the organization.
- 1.4. Shall respect and contribute to the legitimate and ethical objectives of the organization.

2. Objectivity

Internal auditors:

- 2.1. Shall not participate in any activity or relationship that may impair or be presumed to impair their unbiased assessment. This participation includes those activities or relationships that may be in conflict with the interests of the organization.
- 2.2. Shall not accept anything that may impair or be presumed to impair their professional judgment.
- 2.3. Shall disclose all material facts known to them that, if not disclosed, may distort the reporting of activities under review.

3. Confidentiality

Internal auditors:

- 3.1. Shall be prudent in the use and protection of information acquired in the course of their duties.
- 3.2. Shall not use information for any personal gain or in any manner that would be contrary to the law or detrimental to the legitimate and ethical objectives of the organization.

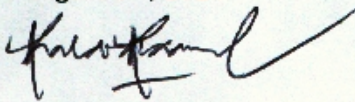
4. Competency

Internal auditors:

- 4.1. Shall engage only in those services for which they have the necessary knowledge, skills, and experience.
- 4.2. Shall perform internal auditing services in accordance with the *International Standards for the Professional Practice of Internal Auditing*
- 4.3. Shall continually improve their proficiency and the effectiveness and quality of their services.

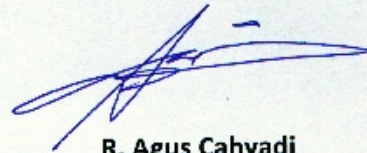
Proposed in Jakarta

August 6th, 2014



Raldi Rizanul

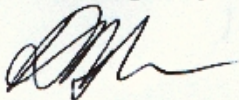
Business Planning & IA Manager



R. Agus Cahyadi

IA Superintendent

Acknowledged by:



Don Myles

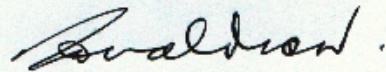
General Manager Finance

Approved by BOD:



Dwi Hartanto

Director



Dave Ronaldson

President Director