



FINANCE

PIAGAM AUDIT INTERNAL
(Internal Audit Charter)

This Charter is composed on the ground of the Financial Services Authority (OJK) Regulation Number 56/POJK.04/2015 regarding Establishment and Guidelines for Preparation of Internal Audit Unit Charter, and functions as the work guidelines for Internal Audit Department in performing its duties and mandate given by the Company's Board of Directors in order to provide the internal organization of PT BFI Finance Indonesia Tbk (Company) with independent, objective assurance and consultation, with the aim to increase the Company's value and improve business operations using a systematic approach by evaluating and improving the effectiveness of risk management, control, and corporate governance process.

I. STRUCTURE AND POSITION OF INTERNAL AUDIT

1. Internal Audit Department is an independent department and directly responsible to the President Director.
2. Members of Audit Internal Department are employees of PT BFI Finance Indonesia Tbk and consequently must comply with the Company's prevailing regulations, including procedures for appointment and dismissal as well as performance evaluation of Internal Audit members.
3. In carrying out its activities, Internal Audit Department coordinates and works closely with the Company's Audit Committee, which is structurally responsible to the Board of Commissioners.
4. Internal Audit Department is led by one Head of Internal Audit and minimally consists of one Head of Department with 10 members who are entirely originated from the Company's internal organization.
5. Auditors positioned in the Internal Audit Department are directly responsible to the Head of Internal Audit Department.
6. Head of Internal Department is appointed and dismissed by the President Director, subsequent to obtaining approval from the Board of Commissioners. Dismissal of the Head of Internal Audit can be done if he/she does not fulfill requirements as an Internal Auditor as stipulated in this Charter and/or fails or incapable to perform duties.

II. DUTIES AND RESPONSIBILITIES OF INTERNAL AUDIT

1. Prepare and execute Internal Audit Annual Plan;
2. Test and evaluate the implementation of internal control and risk management system in accordance with Company policies;



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3. Conduct examinations and assessments on the efficiency and effectiveness of finance, accounting, operations, human resources, marketing, information technology, and other activities;
4. Provide suggestions for improvements and objective information on examined activities to all levels of management;
5. Produce and submit audit report to the President Director and the Board of Commissioners;
6. Supervise, analyze, and report the follow-up actions of suggested improvements;
7. Work closely with the Audit Committee;
8. Develop programs to evaluate the quality of conducted Internal Audit activities;
9. Conduct a special examination if necessary; and
10. Prepare scoring for audit results from each branch office in order to evaluate level of compliance in each branch office with regulations, policies, and other prevailing stipulations.

III. AUTHORITY OF INTERNAL AUDIT

1. Have access to all relevant information about the Company that is related to its duties and functions;
2. Communicate directly with the Board of Directors, the Board of Commissioners, and/or the Audit Committee, as well as members of the Board of Directors, the Board of Commissioners, and/or the Audit Committee;
3. Convene periodic and incidental meetings with the Board of Directors, the Board of Commissioners, and/or the Audit Committee; and
4. Coordinate activities with the activities of external auditors.

IV. ACCOUNTABILITY OF INTERNAL AUDIT

Head of Internal Audit Department must be accountable to the President Director and the Board of Commissioners through the Audit Committee for implementation of his/her duties by performing the following acts:

1. Evaluate the adequacy and effectiveness of processes by which the Company controls its activities and manages risks in its coverage area; and
2. Provide information periodically about status and results of the annual audit plan and resource adequacy.



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V. CODE OF ETHICS FOR INTERNAL AUDIT

1. Integrity

The integrity of an Internal Auditor establishes trust and thus provides assurance for his/her audit judgments.

2. Objectivity

Internal Auditors portray the highest level of professional objectivity in collecting, evaluating, and communicating information about activities and processes being examined. Internal Auditors conduct well-balanced assessments on all relevant circumstances and are not influenced by personal or other party's interests while making judgments.

3. Confidentiality

Internal Auditors respect the value and proprietorship of information and data that they obtain and do not disseminate the information and data without lawful authority.

4. Competency

Internal Auditors have necessary knowledge, expertise, and experience to perform their functions.

VI. REQUIREMENTS AND QUALIFICATION FOR INTERNAL AUDITORS

1. Have integrity and professional attitudes, independent, honest, and objective in performing their duties;
2. Have knowledge of and experience in audit technicality and other disciplines of knowledge that are relevant to their field of duties;
3. Have knowledge of laws and regulations in capital market and other related laws and regulations;
4. Have proficiency to effectively interact and communicate both verbally and in writing;
5. Must comply with professional standards set by association of Internal Audit;
6. Must comply with Code of Ethics for Internal Audit;
7. Must maintain the confidentiality of Company information and/or data related to implementation of Internal Audit's duties and responsibilities, unless it is compulsory based on laws and regulations or court ruling;
8. Understand the principles of good corporate governance and risk management; and
9. Willing to improve knowledge, expertise, and professional capabilities continually.



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VII. CONCURRENT POSITIONS

Internal Auditors are prohibited from having concurrent positions as business operation executive in the Company, unless they obtain written approval from the President Director and the President Commissioner by not reducing the Company's internal control function. In the event of concurrent employment, if the department/unit being audited is where the internal auditor with concurrent positions serves, the internal auditor must not involve in the audit process.