Internal Audit Charter
PT Astra International Tbk

December 2010

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INTERNAL AUDIT CHARTER

1. Vision and Mission

**Vision**

To maintain PT Astra International Tbk and its major affiliated companies (the Group's) leadership in corporate governance standards and to be an integral component of the Group’s overall risk management activities.

**Mission**

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

2. Structure and Position

1. The Board of Directors (BOD) has overall responsibility for the Group’s internal control. Internal controls are designed to manage, rather than eliminate business risk; to help safeguard the Group’s assets against fraud and other irregularities; and to give reasonable, but not absolute assurance, against material misstatement or loss.
2. Internal Audit, under the guidance of the President Director, assists the BOD by reviewing the operation and effectiveness of the Group’s system of internal control and the procedures by which this is monitored.
3. The Internal Audit function is managed by the Chief of Internal Audit.
4. The Chief of Internal Audit is appointed by the President Director and endorsed by the BOC.
5. The President Director may terminate the Chief of Internal Audit with the BOC’s endorsement should the Chief of Internal Audit fails to fulfill his/her responsibilities as stated in this Charter.
6. The Chief of Internal Audit reports to the President Director and the Director of Finance.
7. The Chief of Internal Audit and other Internal Audit staff shall not hold any other operational functions within the Group.

3. Internal Audit Roles and Responsibilities

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

a) Develop and execute risk based Internal Audit Plan for the Group.
b) Co-ordinate with other internal audit functions within the Group to ensure adequacy of audit coverage and quality of audit approach.
c) Ensure the Group’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 the Astra 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 President Director, Senior Management and/or Audit Committee in a manner that does not conflict with the objective of independence.

g) Co-ordinate internal and external audit work activities to avoid duplication.

h) Working together with the Audit Committee.

**Authority**

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

4. **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, President Director and the BOC.

   b) Quarterly reports will be presented to the Audit Committee on the results of audit activities, the effectiveness of risk management processes, and the completion status of approved audit plans.

   c) Routine and ad hoc meetings will be held with the President Director, BOC, and Audit Committee as required for audit issue briefings.

5. **Internal Audit Staff**

Internal Audit Staff should, amongst other things:

   a) Be accountable to the Chief of Internal Audit.

   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 of the stock market and other relevant rules and regulations that impact the Group’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 Chapter as an integral part of this Internal Audit Charter).
Attachment to the Audit Internal Charter

Code of Ethic Internal Audit

The following code of ethics, amongst others, shall be observed by all Internal Audit staff of PT Astra International Tbk:

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 the 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 judgement.
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 the duties.
3.2 Shall not use information for any personal gain or 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.