

INTERNAL AUDIT CHARTER

INTERNAL AUDIT CHARTER PT ADARO MINERALS INDONESIA TBK

A. DEFINITIONS

1. Internal Audit is an independent, objective assurance and consulting activity designed to add value and improve the operations of PT Adaro Minerals Indonesia ("**Company**"), by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes.
2. Assurance activities provide ratings opinion in the audit report over the adequacy of governance, risk management, and control processes of the Company.
3. Consulting activities provide advisory, education, and facilitation in the areas of governance, risk management, and control processes. When performing consulting activities, the Internal Auditor shall not assume management responsibility.
4. Internal Audit Function is the Company's function that conducts Internal Audit activities.
5. Internal Audit Charter is a formal document that provides framework and defines the structure, position, duties and responsibilities, authorities, and accountabilities of the Internal Audit Function.

B. SCOPE OF WORK

The scope of work of the Internal Audit Function covers all business processes of the Company and its subsidiaries to evaluate the adequacy of governance, risk management, and internal control processes.

C. STRUCTURE AND POSITION

1. The Internal Audit Function consists of one or more auditors. The number of internal auditors is based on the size and level of complexity of the Company's activities.
2. The Internal Audit Function is led by a Chief Audit Executive, who is appointed and dismissed by the President Director with the approval of the Board of Commissioner.

3. The appointment, replacement, or dismissal of the Chief Audit Executive shall be notified to the Financial Services Authority (OJK).
4. The President Director may dismiss the Chief Audit Executive, after obtaining approval from the Board of Commissioner, if the Chief Audit Executive does not meet the requirements as an internal auditor as stipulated in the Internal Audit Charter and/or fails or is incompetent to carry out his or her duties.
5. The Chief Audit Executive is responsible to the President Director.
6. Auditors in the Internal Audit Function are directly responsible to the Chief Audit Executive.

D. DUTIES AND RESPONSIBILITIES

The Chief Audit Executive has the duties and responsibilities to:

1. Establish the vision and mission of the Internal Audit Function.
2. Develop a flexible Annual Audit Plan by using a risk-based methodology. The Annual Audit Plan shall be communicated to the Board of Directors and the Audit Committee, and be approved by the President Director.
3. Carry out the Annual Audit Plan that has been approved by the President Director and perform special audit as requested by the Company's Board of Directors, Board of Commissioners, Audit Committee, and/or the subsidiaries' Board of Directors.
4. Assess and evaluate the implementation of internal controls and risk management system in accordance with the Company's policies and prevailing laws and regulations.
5. Conduct assessment and evaluation of the efficiency and effectiveness in all areas, including finance, accounting, operations, human resources, marketing, information technology, and other areas.
6. Provide recommendation for improvement and objective information on the audited activities at all relevant management levels.
7. Prepare audit reports and communicate the reports to the Board of Directors, Board of Commissioners, and Audit Committee.
8. Monitor, analyze, and report on the implementation of the recommended corrective actions.
9. Liaise with Audit Committee.
10. Develop and implement a Quality Assurance Improvement Program to evaluate the activities of the Internal Audit Function.
11. Conduct special audit when necessary.

12. Coordinate with other assurance functions (e.g., Quality Health Safety & Environment, Legal & Compliance, Risk Management, external auditors) to optimize efforts to provide assurance on Company's risk management, controls, and corporate governance processes.

E. AUTHORITIES

In carrying out their duties, the Chief Audit Executive and internal auditors are authorized to:

1. Have access to all work units, documents, employees, and properties related to the audit assignments.
2. Communicate directly with the Board of Directors, Board of Commissioners, and/or Audit Committee as well as the members of the Board of Directors, Board of Commissioners, and/or Audit Committee.
3. Conduct regular and incidental meetings with the Board of Directors, Board of Commissioners, and/or Audit Committee.
4. Coordinate its activities with the activities of external auditors.

Chief Audit Executive and internal auditors are not allowed to have concurrent duties and positions with the operational activities of the Company and its subsidiaries.

F. ACCOUNTABILITIES

The Chief Audit Executive periodically reports to the Board of Directors, Board of Commissioners, and/or Audit Committee regarding:

1. Implementation of the Internal Audit Function's strategic plan.
2. Implementation of the Annual Audit Plan.
3. Significant audit issues.
4. Implementation status of audit corrective actions.
5. Limitations and restrictions (if any) in the implementation of the duties, responsibilities, and authorities of the Internal Audit Function

G. CORE PRINCIPLES AND STANDARD

The standard for implementing the work of the Internal Audit Function refers to the Core Principles and the International Professional Practice Framework issued by The Institute of Internal Auditors (IIA).

H. CODE OF ETHICS

In carrying out its duties and responsibilities, the Internal Audit Function must comply with the Internal Audit Code of Ethics issued by The IIA.

I. INTERNAL AUDITORS REQUIREMENTS

1. Have integrity and professional behavior, independent, honest, and objective in carrying out their duties.
2. Have knowledge and experience on audit techniques and other disciplines relevant to their field of work.
3. Have knowledge of the laws and regulations in the capital market and other related laws and regulations.
4. Have the skills to interact and communicate effectively both verbally and in writing.
5. Comply with the standard and core principles issued by The IIA.
6. Comply with the Internal Audit Code of Ethics.
7. Maintain the confidentiality of the Company's information and/or data related to the implementation of the Internal Audit Function's duties and responsibilities unless required by laws and regulations or court decisions.
8. Understand the principles of good corporate governance and risk management.
9. Willing to improve their knowledge, skills, and professional abilities continuously.

J. EFFECTIVE DATE

The Internal Audit Charter is effective as of September 6, 2021.

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(the original policy signed in Bahasa Indonesia)

Established by:

Iwan Dewono Budi Yuwono
President Director
PT Adaro Minerals Indonesia Tbk

Priyadi
Director

Approved by:
Board of Commissioners of PT Adaro Minerals Indonesia Tbk

Garibaldi Thohir
President Commissioner

M Syah Indra Aman
Commissioner

Chia Ah Hoo
Commissioner

Lie Luckman
Commissioner

Budi Bowoleksono
Independent Commissioner

Mohammad Effendi
Independent Commissioner