



**TERMS OF REFERENCE (CHARTER)
OF
BOARD AUDIT COMMITTEE**

PT LINK NET TBK

Duly recommended by PT Link Net Tbk Board of Audit Committee for approval by the Board of Commissioners of PT Link Net Tbk at the Board of Commissioners Meeting **[01-24]** held on **5 February 2024**.

PT LINK NET TBK

**BOARD AUDIT COMMITTEE TERMS OF REFERENCE
(CHARTER)
("BAC TOR")**

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1.0 PURPOSE

- 1.1 The Board Audit Committee (“BAC”) is established as a committee by and reports to the Board of Commissioner (“the BOC”) of PT Link Net Tbk (the “Company”) to assist the Board in fulfilling its statutory and fiduciary responsibilities.
- 1.2 The Board Audit Committee (“BAC”) independently review the financial statements and financial reporting process, the audit process, the adequacy and effectiveness of systems for internal controls, risk management and governance, and the process for monitoring compliance with law and regulations in Indonesia including capital market regulations, and the Company’s Code of Conduct.

2.0 COMPOSITION AND APPOINTMENT

- 2.1 The BAC members shall be appointed by the BOC and shall be composed of no fewer than 3 (three) members, of whom at least 1 (one) member shall be from the Independent Commissioner and other independent members from outside the Company. The BAC shall be chaired by an Independent Commissioner.
- 2.2 The members of the BAC shall be nominated by the Company’s Board Nomination and Remuneration Committee (“BNRC”) and shall appointed by resolution of the Board.
- 2.3 All members of the BAC, including the Chairman, may hold office no longer than the term of office of the Board of Commissioners as stipulated in the Company’s Articles of Association and may be re-elected only for one subsequent period.
- 2.4 The Chairman of the BAC shall be from the Independent Commissioner elected as BAC. If there is more than one Independent Commissioner appointed as a BAC member, the Board shall appoint one of them as Chairman of the BAC.
- 2.5 Members of the BAC may relinquish their membership in the BAC with 30 (thirty) days prior written notice to the Corporate Secretary and the BOC. In the event of any vacancy in the BAC, the Company must fill the vacancy within 3 months after the vacancy occurs.
- 2.6 All members of the BAC should be financially literate and must be able to read, analyze, interpret and understand financial statements. They must also possess sound judgment, objectivity, integrity and sufficient management experience and knowledge of the industry.
- 2.7 A member of the BAC shall excuse himself/herself from the meeting during discussions or deliberations of any matter which gives rise to an actual or perceived conflict of interest situation for him.
- 2.8 At least one member of the BAC must be a member of the Institute of Indonesia Chartered Accountants and shall fulfill such other requirements as prescribed in the Indonesia capital market regulation requirements.

- 2.9 An audit partner whom has served the Company would have to observe a cooling-off period of 3 years prior to being appointed as a member of the BAC.

3.0 AUTHORITY

- 3.1 The BAC is authorised by the BOC and at the expense of the Company to perform the following:-

- i) Investigate any matter within its terms of reference.
- ii) Have the resources which are required to perform its duties as set out in the terms of reference.
- iii) Have full and unrestricted access to information, records, properties and personnel of any of the Company's subsidiaries within the Company.
- iv) Obtain external independent professional advice where necessary.
- v) Convene meetings with external auditors, internal auditors without the attendance of any directors and employees of the Company whenever deemed necessary.
- vi) Have immediate access to reports on fraud or irregularities from the Internal Audit function of the Company or those reports referred to Internal Audit function of the Company by the management. Any unresolved matters resulting in breach of any regulatory requirements shall be reported to the BOC.

4.0 RESPONSIBILITIES

The BAC shall undertake the following responsibilities:

4.1 Financial Reporting and Processes

- i) Review the Company quarterly results, half-yearly results and annual financial statements of the Company with Management and External Auditors focusing on the below, prior to the approval by the BOC:-
 - a) Any changes in or implementation of accounting policies and practices;
 - b) Significant adjustments with financial impact arising from the audit;
 - c) Significant and unusual events;
 - d) the going concern assumptions; and
 - e) Compliance with approved accounting standards, Indonesia Capital Market regulation, and others regulatory requirements.
- ii) Review with the External Auditors the audited financial statements for the purpose of approval prior to presentation to the BOC for adoption, for the following:-

- a) Whether the External Auditors' report contains any qualification which must be properly discussed and acted upon;
 - b) Whether there is any significant change and adjustment in the presentation of financial statements;
 - c) Whether it is in compliance with the laws and accounting standards
 - d) Whether there is any material fluctuation in balances
 - e) Whether there is any significant variation in audit scope and approach; and
 - f) Whether there is any significant commitment or contingent liability
- iii) Discuss problems and issues arising from the interim and final audits and any matter the External Auditors may wish to discuss in the absence of the management where necessary.
- iv) Provide assurance to the BOC on the quality and reliability of financial information used by the BOC and of the financial information issued publicly by the Company.
- v) Propose best practices on disclosure in financial results and annual report of the Company in line with the principles set out in Indonesia Corporate Governance Guidelines of Public Company under capital market regulation and other applicable laws and regulations in Indonesia.

4.2 External Auditors

- i) Appointment or re-appointment of the External Auditors.
Consider and recommend to the BOC, the appointment or re-appointment of the external auditors and the audit fee, and any resignation, dismissal of the external auditors.
- ii) Assess and confirm the suitability, independence and performance of the external auditors through an annual evaluation. This includes obtaining a written statement from the External Auditors delineating all relationship between the audit and the Company, and delineating any other relationships that may adversely affect the independence of the External Auditors.
- iii) Discuss and review with the external auditors the following prior to the commencement of the audit:-
 - a. The nature and scope of audit
 - b. The audit plan
 - c. Coordination of audit where more than one audit firm is involved
 - d. The evaluation of the system of internal controls
 - e. The effectiveness of the management information system including any improvement suggestions and management's response
- iv) Meet with the External Auditors at least twice in the financial year (without the presence of other directors and employees) to discuss any issues or reservations arising from the audits and any matter the External Auditor may

wish to discuss.

- v) Review the External Auditors' audit report, and report the same to the Board.
- vi) Review the External Auditors' management letter and management's response.
- vii) Monitor the extent of non-audit work to be performed by the External Auditors to ensure that the provision of non-audit services does not impair their independence or objectivity. This includes a pre-approval process for any such work and the hiring of employees or former employees of the External auditors.

4.3 Internal Audit Function

- i) Approve the Internal Audit Charter, which defines the purpose, authority, scope and responsibility of the Internal Audit function in the Company.
- ii) Review, challenge and approve the internal audit plan including its adequacy of scope, resources, independence and its audit methodology with the objective of ensuring its robustness and that it is reflective of the key risks of the Company.
- iii) Review the internal audit reports, discuss major findings and Management's response and ensure appropriate action is taken on the recommendations on a timely basis. The internal audits should also include recommendations for continuous improvement to achieve the objectives of the company.
- iv) Assess the performance of the Head of Internal Auditor ("**HIA**") and the staff of the Internal Audit function, including the role and effectiveness of Internal Audit. The HIA is expected to:-
 - a. Anticipate the needs of the stakeholders with the fast-changing business environment
 - b. Understand the risk profile of the company and contribute towards the identification of emerging risks, including providing early warning to the BAC.
- v) The HIA shall report directly to the BAC and shall be responsible for the regular review and appraisal of the effectiveness of the internal control and governance processes within the Company.
- vi) The Head of Internal Audit at the Company to report functionally to the Company's BAC and administratively to the President Director of the Company in relation to matters including but not limited to major control issues, audit reports, quarterly reports, and Minutes of the Company BAC.
- vii) Approve the appointment or termination of HIA and the senior staff members of the internal audit function of the Company. The BAC shall be informed of the resignation of the HIA and Senior Internal Audit staff and provide them an opportunity to submit his/her reasons for resigning.

- viii) The tenure of the HIA is recommended not to exceed 6 (six) years within 1 (one) assignment to ensure that the Internal Audit department is resourced with those who have strong and up to date finance / commercial / technical experience with a proven performance track record.
- ix) Review the Internal Audit function to determine whether its activities are performed independently, proficiently and with due professional care. The BOC or the BAC is to determine the remit of the Internal Audit function.
- x) Meet with the Internal Auditors, at least once during the year (without the presence of other directors and employees) to discuss any issues or reservations arising from any audits and any matter the Internal Auditor may wish to discuss.
- xi) Where there is an audit assignment requested by Axiata BAC that has a bearing upon all subsidiaries or that the subsidiaries' financial results will affect the audit opinion of Axiata Group, the Company's internal audit function shall adhere to the request and include such audit assignment in its respective audit plan.

4.4 Company & Group Oversight

- i) Independently review the adequacy and effectiveness of the Company's internal controls, risk management and governance systems applied in daily business operations, including information technology, network controls, as well as systems for compliance with applicable laws.
- ii) Consider major findings of internal investigations and management's response in the Company.
- iii) Oversee, review and approve the adequacy of the Company whistle-blowing mechanism to ensure that employees and external stakeholders can raise concerns on any misconduct, in confidence and without fear of reprisal, and that investigations of such concerns are carried out
- iv) Monitor the process for dealing with complaints received by the Company regarding questionable accounting, auditing issues or internal control matters or any other matters either by anonymous submission or otherwise.
- v) Consider and review any significant transactions, which are not within the normal course of business and any related party transactions and conflict of interest situations that may arise within the Company including any transaction, procedure or course of conduct that raises questions of management integrity and report the same to the Board.
- vi) Verify the allocation of share options given to the Company's eligible employees is in accordance with the criteria for the employees share option scheme and the Indonesia Stock Exchange requirements at the end of each financial year.
- vii) Report promptly to BoC any matter which results in a breach of the Indonesian

Securities Listing Requirements if it has not been satisfactorily resolved, as well as to receive updates from the management if there is a breach of the Capital Market Authority and/or Regulatory requirements and whether it has been satisfactorily resolved.

4.5 Related Party Transactions

Review and report to the BOC any related party transactions entered into by the Company including the review and monitoring of recurrent related party transactions to ensure that:

- i) All transactions are fair, reasonable and undertaken on the Company's normal commercial terms.
- ii) Internal control procedure with regard to such transactions are sufficient and have been complied with.
- iii) Compliance with the relevant provisions of the OJK requirements.

4.6 Conflict of Interest (COI)

Review and report to the BOC for the purpose of disclosure in the Board Audit Committee Report of the Annual Report of any COI situation across the Company and its Subsidiaries through direct financial interest, indirect financial interest, non-financial interest (arising from relationships whether family, business or professional interests), or competing loyalties or interests:

- a. that arose during the financial year;
- b. that might arise (potential COI) during the financial year;
- c. as well as persisting COI from previous financial years during the financial year;

together with the measures taken to resolve, eliminate or mitigate such conflicts, as well as disclose them in the BAC report.

4.7 Other Matters

Consider other matters as prescribed to the BAC by the BOC.

5.0 **MEETINGS**

5.1 **Quorum:** In order to form a quorum, a minimum of 2 (two) BAC members must be present, and the majority of those present must be Independent Commissioners.

5.2 **Frequency and Meeting Mode**

- i) The BAC shall meet at least four (4) times a year and such additional meetings as the Chairman shall decide. The BAC meetings shall be governed by the provisions of the Company's Articles of Association relating to BOC meetings unless otherwise provided for in this Terms of Reference (Charter).
- ii) Upon the request of the External Auditors, the Chairman of the BAC shall convene a meeting of the BAC to consider any matter the External Auditors believe should be brought to the attention of the Directors or Shareholders.
- iii) A member of BAC may participate in a meeting of BAC by means of a telephone conference or video conference or any other means of audio/visual communications and the person shall be deemed to be present in person and shall be entitled to vote or be counted in a quorum accordingly.
- iv) Decision of BAC may be made by a Circular Resolution provided it is signed by all members.

5.3 **Notice and Agenda**

- i) The Notice and agenda for each BAC meeting with due notice of the issues to be discussed shall be sent to all members of the BAC and any other persons who may be required to attend.
- ii) The Chairman of the BAC shall report to the BOC on any matter that should be brought to the BOC's attention and provide recommendations of the BAC that require the BOC's approval at the BOC meeting.
- iii) The BAC may invite the Chief Financial Officer, the HIA or any other management personnel, any representative of the external auditors, other members of the BOC and any other persons as deemed necessary by the BAC to be present at any meeting of the BAC.

5.4 **Secretary**

- i) The HIA or any other person appointed by the BAC shall be the Secretary of the BAC.
- ii) The Secretary shall:
 - a. Ensure all appointments to the BAC are properly made.
 - b. ensure that the BAC receives information and papers in a timely manner to enable full and proper consideration to be given to issues.
 - c. Draw up meeting agendas in consultation with the BAC Chairman.
 - d. Ensure proceedings of meetings are recorded, the minutes are circulated

- on a timely basis and are properly retained.
- e. Assist the BAC Chairman in planning the BAC's activities for the financial year.
 - f. Ensure the BAC recommendations presented to the Board are supported by explanatory documentation which explains the rationale for its recommendations.

6.0 REVIEW OF THE BAC

- 6.1 The BAC shall perform a self-assessment annually to assess its effectiveness in carrying out the duties as set out in the Terms of Reference and report the results to the Board.
- 6.2 The Board shall review the composition, performance and effectiveness of the BAC and each of its members annually to determine the effectiveness of the BAC and each of its members in carrying out the duties as set out in the Terms of Reference.

7.0 BAC REPORT

- 7.1 The BAC is required to prepare a BAC Report to the BOC and shall published at the end of each financial year to be included and published in the annual report of the Company to include the following:-
 - i) The terms of reference of the BAC and the composition of the BAC including the name, designation and directorship of the members (indicating whether the Commissioners are independent or otherwise);
 - ii) The number of BAC meetings held during the financial year, details of attendance of each BAC member and details of the relevant training attended by each BAC member.
 - iii) Any COI situation across the Company and its Subsidiaries through direct financial interest, indirect financial interest, non-financial interest (arising from relationships whether family, business or professional interests), or competing loyalties or interests:
 - a. that arose during the financial year;
 - b. that might arise (potential COI) during the financial year;
 - c. as well as persisting COI from previous financial years during the financial year; together with the measures taken to resolve, eliminate or mitigate such conflicts
 - iv) A summary of the activities of the BAC in discharging its functions and duties for that financial year; and
 - v) A summary of the activities of the Internal Audit function.

8.0 STATEMENTS IN THE ANNUAL REPORT

8.1 Corporate Governance Statement

The BAC is required to recommend the statement on corporate governance at the end of each financial year for the BOC's approval to be included and published in the annual report of the Company:

- i) A narrative statement of how the Company and its Subsidiaries have applied the principles set out in the Indonesian Corporate Governance regulation and related laws; and
- ii) A statement on the extent of the Company and its Subsidiaries compliance with the Indonesian Corporate Governance regulation and related laws.

8.2 Additional Statements

The BAC is required to recommend the following additional statements for the Board's approval to be included and published in the annual report of the Company:-

- i) A statement explaining the Board's responsibility for preparing the annual audited financial statements of the Company.
- ii) A statement about the state of internal control of the Company and its subsidiaries after the same is reviewed by the External Auditors with regard to the state of internal control and report the results thereof to the Board.
- iii) A statement verifying the allocation of share options given to the Company eligible employees is in accordance with the criteria set out in the share option scheme for employees.

-END-

**Approved by,
Board of Commissioners
PT Link Net Tbk**

Shridhir Sariputta Hansa Wijayasuriya

President Commissioner



Date

Vivek Sood

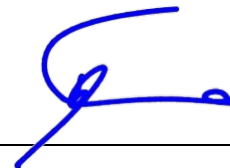
Commissioner



Date

Thomas Hundt

Commissioner



Date

Dian Siswarini

Commissioner

Date

Jonathan Limbong Parapak

Independent Commissioner

Date

Alexander S. Rusli

Independent Commissioner



Date