

AUDIT COMMITTEE

I. VISION, MISSION & PURPOSE

1. VISION

Implementation of effective functioning of the Board in oversight and guidance to the executive (Directors and their staffs) so as to create conditions of each executive function of carrying out its functions in accordance with the provisions and standards in force and Bank Jatim business can survive in the competition and can grow in a healthy manner

2. MISSION

Protect and fulfill properly the interests of Stakeholders Bank Jatim, namely the shareholders, Customers, Government, Management, Employees and BOC

3. PURPOSE

- a. Help the effectiveness of the functions of supervision and guidance by the Board of Commissioners of the executive (Directors and their staffs) in the area of application of Financial Analysis, Good Corporate Governance and management and other areas that are applied by the Board of Commissioners.
- b. BOC helps to encourage the implementation of good corporate governance, the establishment of an adequate internal control structure increases the transparency and quality of financial reporting, and review the scope, provision of independence and objectivity of the public accountant.

II. LEGAL BASIS

The legal basis used is set out in Book I of the Guidelines for the Implementation of GCG Bank Jatim.

III. ORGANIZATIONS

A. POSITION

1. The Audit Committee is a committee under the coordination of the BOC
2. Appointment of Audit Committee members based on the decision made by the Board of Directors meeting of the Board of Commissioners.

3. The Audit Committee members are independent parties and the Independent Commissioners acts as the Chairman of the Audit Committee.
4. In order to realize the optimization of the function of the Audit Committee should have the support of management in the implementation of the tasks of the Audit Committee.
5. The Audit Committee is independent both in the execution of their duties and in reporting and is directly responsible to the Board of Commissioners.
6. To carry out everyday tasks, if required can be seconded personnel staff or the secretary of the Audit Committee elected / appointed by the Board of Commissioners is based on the integrity and skills.
7. In order to effectively carry out its responsibilities, the Audit Committee receive orientation training at the beginning of his term and must pay attention to the development of quality yourself by increasing insight into the expertise / skills consistently and development programs may include training, certifications, professional memberships, seminars, workshops and another during the period of his tenure.

B. MEMBERSHIP

1. The members of the Audit Committee consist of 1 (one) Independent Commissioner Board who acted as Chairman and member and two (2) other members who come from outside the bank; an independent party with expertise in finance or accounting and one of the independent party with expertise in law or banking
2. What is meant by the committee members are independent, outside party banks that do not have the financial, management, share ownership and / or family relationship with the Board of Commissioners, Directors and / or Controlling Shareholders or relationship with the bank, which could affect its ability to act independently
3. The Chairman of the Committee may only hold the position as Chairman of the Committee at most 1 (one) other Committee at the same Bank.
4. Members of the Committee were derived from independent parties can be doubled as an independent party other Committee members at the same Bank, another bank, and / or other companies, all concerned

- a. meet all the required competence
- b. meets the independence criteria
- c. Bank is able to keep a secret
- d. pay attention to the code of ethics, and
- e. do not neglect the duties and responsibilities as members of the Committee

C. REQUIREMENTS FOR MEMBERSHIP

Audit Committee members must be qualified at least as follows :

- 1. It has expertise and knowledge in finance and / or accounting and have work experience in finance and / or accounting, at least 5 (five) years.
- 2. It has expertise and knowledge in the field of law and / or banking and have work experience in the field of law and / or banking least 5 (five) years.
- 3. Ability to communicate effectively.
- 4. Must have the competence, integrity, morals, and good morals.
- 5. Not an executive officer of the Bank within a period of 6 (six) months prior to the Board of Commissioners appointed by a Member of the Audit Committee.
- 6. It is not a person in the accounting firm or consultant that has provided audit and / or non-audit consulting to the Bank within 1 (one) year before being appointed by the Board of Commissioners as Member of Audit Committee

D. WORK ETHIC

Each member of the Audit Committee shall :

- 1. Uphold the principles of GCG (Transparency, Accountability, Responsibility, Independence and Fairness) in the execution of their duties
- 2. Working in a professional manner in accordance with the tasks assigned to him as an organ of the Board of Commissioners for the enterprise
- 3. Refrain from practices and implementation of the tasks that contain an element of conflict of interest or revealed the existence of such a conflict of interest in the decision / opinion made
- 4. Refrain from practices that contain elements of corruption, collusion and nepotism
- 5. Obey the work rules that apply

E. WORK TIME

The Audit Committee shall provide / have enough time to carry out their duties and responsibilities of the profession is high.

F. MEETING

The Audit Committee's work in order to work well, it is necessary to regulate the Audit Committee meetings as follows:

1. The Audit Committee held a meeting at least equal to the minimum provisions board meetings are set accordingly.
2. The Audit Committee held a meeting with the Internal Bank in this regard SKAI Bank and other related parties as needed.
3. The Audit Committee held a meeting with the External Auditor as required.
4. The Audit Committee may at any time to coordinate with the Risk Oversight Committee according to the needs / interests.
5. Meetings of the Audit Committee can only be implemented if attended by at least 51% (fifty one percent) of the members including an Independent Commissioner and Independent Party, and if the Chairman of the Audit Committee is unable to attend the present members elect one member as chairman of the meeting
6. Decision of the Audit Committee meeting is done by consensus.
7. In the event that does not happen consensus, decisions made by a majority vote.
8. Results of Audit Committee meetings shall be set within minutes of meeting and documented properly.
9. Dissent (dissenting opinions) that occurs in the meeting of the Audit Committee shall be clearly stated in the minutes of the meeting and the reasons for such dissent.
10. Through BOC, the Audit Committee may ask the Management, or the bank employee to attend a conference / meeting and provide the necessary information of the Audit Committee

IV. AUTHORITY, DUTIES AND RESPONSIBILITIES.

1. The Audit Committee authorized by the Board of Commissioners to :

- 1.1. Based on the assignment of the Board of Commissioners, the Audit Committee may access the records or information about the employee, the fund assets, as well as other bank resources related to the implementation of their duties in accordance with procedures established by the company. Therefore, extensive access members of the Audit Committee shall maintain an attitude of integrity during work and completed his tenure.
- 1.2. In realizing the optimization function, the Audit Committee should have the support of management in terms of providing timely information.
- 1.3. Seek the necessary information from the parties of the bank (including bank employees) and external parties.
- 1.4. In performing its duties, the Audit Committee will maintain effective working relationships with the Board of Commissioners, the Risk Oversight Committee, Management, Internal Auditors and the External Auditor. Therefore, the Audit Committee does not perform operational duties.

2. The duties and responsibilities of the Audit Committee are as follows:

- 2.1. Monitoring and evaluation of the planning and execution of audits and monitoring of the follow-up results of the audit in order to assess the adequacy of internal controls, including the adequacy of the financial reporting process.
- 2.2. The Audit Committee shall make recommendations on appointment of Public Accountant and Public Accountant Office to the Board of Commissioners to be submitted to the General Meeting of Shareholders
- 2.3. Assist the Board of Commissioners to :
 - a. Constantly improve the quality of implementation of good corporate governance (GCG) by applying the principles of openness (Transparency), Accountability (Accountability), Accountability (Responsibility), Independence (independency) and Fairness (Fairness), to strengthen the internal condition of the national banking system.

- b. Encourage the implementation of good corporate governance, the establishment of an adequate internal control structure increases the transparency and quality of financial reporting, and review the scope, provision of independence and objectivity of the public accountant.
 - c. Assessing the adequacy of the Bank's internal audit function, to assess all aspects of activities according to Bank Indonesia regulations and legislation in force;
 - d. Assessing the effectiveness of the implementation of the Bank's internal audit task in creating a healthy bank and is able to develop naturally
- 2.4. Reviewing the information on the bank, the bank's work plan and budget, management report and other information.
 - 2.5. Reviewing the bank's adherence to the legislation and related to the activities of the bank.
 - 2.6. Monitoring on complaints relating to the activities of the bank addressed to the BOC.
 - 2.7. Reviewing the adequacy of the internal audit function, including the number of auditors, annual work plans and tasks that have been implemented.
 - 2.8. Reviewing the adequacy / appropriateness of external audit by Public Accountant Office (KAP) according to standard audit including audit planning and the number of auditors.
 - 2.9. Assist the Board of Commissioners to ensure the effectiveness of internal control systems and to evaluate the effectiveness of the external auditors and the internal task auditor.
 - 2.10. Monitoring and evaluation of the implementation of the follow-up by the Board of Directors on the findings of SKAI, Public Accountant and Bank Indonesia supervision result, the Supreme Audit Agency (BPK) and other
 - 2.11. To provide recommendations on the improvement of management control system and its implementation.
 - 2.12. To identify matters that require the attention of the Commissioners as well as the duties of the Board of Commissioners.