

AUDIT COMMITTEE CHARTER

PT BANK PEMBANGUNAN DAERAH JAWA TIMUR Tbk

The Audit Committee Charter is a guideline and work procedure for the Audit Committee, which is prepared based on prevailing laws and regulations and best practices applied to the Indonesian banking industry and is binding on each Audit Committee.

1. Legal Foundation

The Audit Committee Charter includes the legal basis of laws and regulations that apply to the Audit Committee.

2. Membership Structure

The organizational structure and membership of the Audit Committee are determined as follows:

- a. The Audit Committee is formed by the Board of Commissioners and reports to it
- b. The Audit Committee acts independently in carrying out its duties as well as those related to reporting
- c. Appointment and dismissal of members of the Audit Committee based on the decision of the Board of Commissioners' Meeting as outlined in the Decree of the Board of Directors
- d. The Audit Committee must include at least the following members:
 - 1) An Independent Commissioner
 - 2) An Independent party with financial or accounting expertise
 - 3) An Independent party with legal or banking experience
- e. The Chairman of the Audit Committee is an independent commissioner
- f. The Chairman of the Audit Committee may serve as Chairman of no more than one other committee at the same time

3. Membership Requirements

The requirements for membership of the Audit Committee are set as follows:

- a. Must have high integrity, ability, knowledge, and experience in the field of work, and be able to communicate well
- b. Must understand financial reports, company business, especially those related to Bank services or business activities, audit process, risk management, and laws and regulations in the capital market sector as well as other relevant laws and regulations.
- c. Must comply with the code of ethics of the Audit Committee set by the Bank
- d. Willing to continuously improve competence through education and training
- e. At least one member of the Audit Committee has an educational background and expertise in accounting and finance

- f. Not a person who works at a Public Accounting Firm (PAF), Legal Consultant Firm, Public Appraisal Service Office or other party providing insurance services, non-insurance services, appraisal services and or other consulting services to the Bank concerned within the last six months
- g. Not a person who works or has the authority and responsibility to plan, lead, control, or supervise the activities of the Bank within the last six months, except for the Independent Commissioner
- h. Does not own direct or indirect shares in the Bank
- i. Members of the Audit Committee, if they acquire Bank shares either directly or indirectly due to a legal event, they must be transferred to another party within six months after receiving the shares
- j. Audit Committee has no affiliation with members of the Board of Commissioners, members of the Board of Directors, or the Major Shareholders of the Bank; and
- k. The Audit Committee does not have a direct or indirect business relationship with the Bank's business activities

4. Duties and Responsibilities

The duties and responsibilities of the Audit Committee in carrying out its functions include :

- a. The Audit Committee is reviewing compliance with laws and regulations related to Bank activities
- b. The Audit Committee is reviewing the Banks financial statements
- c. The Audit Committee provides an independent opinion if there is a difference in income between management and accountants for the services provided
- d. The Audit Committee provides recommendations to the Board of Commissioners regarding the appointment of Public Accountants (PA) and PAF based on independence, the scope of assignment and service fees;
- e. The Audit Committee is reviewing the the implementation of the inspection by the Internal Audit Unit (SKAI) and monitoring the follow-up implementation;
- f. The Audit Committee is reviewing complaints related to the Bank's accounting and financial reporting processes;
- g. The Audit Committee is reviewing and providing advice to the Board of Commissioners related to potential conflicts of interest of the Bank;
- h. The Audit Committee maintains the confidentiality of Bank documents, data and information.

The duties and responsibilities of the Audit Committee are specifically divided into three aspects as follows:

- a. The Audit Committee had the following duties and responsibilities regarding the Banks structure and system of internal control and compliance:

- 1) Ensuring the sufficiency of the financial reporting process, such as quarterly financial reports, annual reports, published reports, projections, and other financial information to be submitted to the public, Bank Indonesia, and other authorized institutions.
- 2) An assessment of the sufficiency of Internal Audit functions, including the number of auditors, annual work plans and budgets, and work completed
- 3) A review of compliance with the Bank's Internal Audit Charter following regulatory provisions
- 4) Monitoring audit planning and implementation, as well as following up on audit results conducted by Management and other related operational units
- 5) Monitoring the transparency of the Bank's financial and non-financial conditions to stakeholders under applicable regulations
- 6) Monitoring of the Bank related to obligations and fulfilment:
 - a) The preparation and presentation of reports in accordance with the regulator's procedures, types, and scopes
 - b) Transparency of Bank product information and the use of customer personal data following the provisions of the applicable authorities
 - c) Clarity of procedures for customer complaints and dispute resolution against customers refers to the relevant provisions
 - d) The submission Annual Reports to the Financial Services Authority (FSA), the Indonesian Stock Exchange (IDX), and other related parties referring to the applicable regulations
- 7) Monitoring results have been presented on time with coverage under applicable regulations, including:
 - a) Financial and Non-Financial Annual Reports.
 - b) Quarterly Published Financial Report in at least one Indonesian language newspaper with wide circulation in the domicile of the Bank's head office;
 - c) Review of findings and follow-up on the implementation of Good Corporate Governance (GCG)
- b. Monitoring and assessment of the performance or implementation of the duties of the SKAI function, including:
 - 1) Review of the duties and functions of SKAI under the guidelines and provisions, including:
 - a) The availability of standards for the implementation of the Bank's Internal Audit Function as determined by the regulator in the banking sector, including:
 - (1) Development of the Internal Audit Charter
 - (2) The formation of The formation of Internal Audit (SKAI)
 - (3) Development of internal audit guidelines



- b) The autonomy of Internal Audit (SKAI) for operational units
 - c) Reviewing the effectiveness of the implementation of the work of Internal Audit (SKAI) and its compliance with the standards set by the regulator in the banking sector by external parties every three years.
 - d) The availability of quality resources for the practical completion of tasks, including plans and realization of continuous improvement of the quality of human resource skills
 - e) Carry out task assessments at least including:
 - (1) The accuracy of the Bank's Internal Control System;
 - (2) The effectiveness of the Bank's Internal Control System;
 - (3) Performance quality.
 - f) Reporting the findings of the examination results under regulations;
 - g) Monitoring the progress of follow-up improvements made by the auditee;
 - h) Preparation and updating of guidelines, work systems, and procedures regularly per the applicable regulation.
- 2) Monitoring of Internal Audit (SKAI) reporting on all findings that may interfere with smooth running and endanger the continuity of the Bank's business
- c. Monitoring and assessment of Public Accounting Firm as well as the implementation of its duties and functions, including:
- 1) the evaluation of the implementation of the Bank's annual financial report audit following the provisions
 - 2) the process of appointing the same Public Accountant and Public Accounting Firm by the Bank following the provisions
 - 3) the Appointment of a Public Accounting Firm for the audit of the Bank's annual financial statements is decided through the General Meeting of Shareholders (GMS) based on the recommendation of the Audit Committee through the Board of Commissioners;
 - 4) the GMS may delegate the authority to appoint Public Accounting Firm to the Board of Commissioners if the GMS cannot decide on the Appointment of a Public Accountant and Public Accounting Firm accompanied by reasons for delegation of authority and criteria for the limitations of Public Accounting Firm that can be appointed
 - 5) the audit assignments to Public Accountant and Public Accounting Firm follow the Terms of Reference (TOR), which at least fulfils the following aspects:
 - a) the capacity of the appointed Public Accounting Firm
 - b) work experience and resources
 - c) the legality of the work agreement
 - d) the scope of the audit

- e) the professional standards of public accountants, and
- f) public Accounting Firms' communication with regulators
- 6) The evaluation of the audit implementation by the Public Accounting Firm includes the adequacy of the work program and a Review of the Public Accounting Firm audit plan, including relating to the internal control structure, material items and risk management;
- 7) Monitoring the results of the Public Accounting Firm report according to the work contract includes:
 - a) the time limit for the audit report;
 - b) Public Accounting Firm work review includes independence, compliance with professional standards of public accountants, and adequacy of disclosure under applicable regulations

5. The Authorities

The authorities of the Audit Committee are as follows:

- a. The Audit Committee can access the necessary documents, data and information about the Bank's employees, funds, assets, and company resources;
- b. The Audit Committee can communicate directly with employees, including the Board of Directors and those who carry out the functions of internal audit, risk management, and accounting, regarding the duties and responsibilities of the Audit Committee;
- c. The Audit Committee involves independent parties other than members of the Audit Committee as needed to assist in carrying out their duties (if needed);
- d. The Audit Committee performs other authorities given by the Board of Commissioners

6. Audit Committee Meeting

The procedures for conducting the Audit Committee meeting are as follows:

- a. The meeting is held at least once every three months according to the needs of the Bank;
- b. The meeting can be held if attended by at least 51% of the total committee members, including one Independent Commissioner and Independent Party
- c. The meeting is chaired by the Chairman of the Audit Committee or a member of the Audit Committee from an Independent Commissioner if the Chairman of the Audit Committee is unable to attend;
- d. The Audit Committee meeting decisions are based on deliberation and consensus; if there is no deliberation to reach a consensus, then the decisions are made based on a majority vote
- e. The Audit Committee meeting is stated in the Minutes of Meeting (MOM), including if there are dissenting opinions and the reasons for these differences.

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The MOM was signed by all members of the Audit Committee present and submitted to the Board of Commissioners

- f. The meetings can be held offline or online through digital media, allowing the Audit Committee meeting participants to participate in the meeting.

7. The Audit Committee Member Terms

The terms of members of the Audit Committee is as follows:

- a. The term of a member of the Audit Committee may not be longer than the term of the Board of Commissioners as stipulated in the Articles of Association. It may be re-elected only for the next period.
- b. If a member of the Board of Commissioners who is the Chairman of the Audit Committee resigns before their term of office as a Commissioners of the Company, the Chairman of the Audit Committee will be replaced by another Independent Commissioner.

8. Reporting

- a. The Audit Committee must give the Board of Commissioners a report on every task it is given, along with recommendations
- b. The Audit Committee is required to make an annual report on the implementation of the activities of the Audit Committee, which is disclosed in the Bank's Annual Report
- c. The Audit Committee reports are signed by at least the Chairman of the Audit Committee and one member of the Audit Committee
- d. The information regarding the Appointment and dismissal of the Audit Committee no later than two working days after the Appointment or dismissal and must be posted on the Indonesia Stock Exchange (IDX) website and the Bank's website.

9. Handling Complaints/Reporting Violations

The Audit Committee reviews complaints/reports on alleged financial reporting violations and provides follow-up suggestions to the Board of Commissioners.

10. Miscellaneous

- a. Members of the Audit Committee are prohibited from taking personal or group benefits, either directly or indirectly, from the Bank's activities other than the legal income that has been determined.
- b. Costs incurred related to the activities of the Audit Committee are borne by the Bank
- c. The Audit Committee Charter may review periodically and, if required, updated with the approval of the Board of Commissioners
- d. The matters that have not been regulated in the Audit Committee Charter will be regulated later by a Decree of the Board of Commissioners.