



PT HM SAMPOERNA Tbk.

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AUDIT COMMITTEE CHARTER

PT HM SAMPOERNA Tbk.

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I. OBJECTIVES

As a public company, it is mandatory for PT HM Sampoerna Tbk. to implement Good Corporate Governance in its business operations. In accordance with the Good Corporate Governance principles, the management of the company must be coupled with effective supervision over the management. Therefore, the Board of Commissioners of PT HM Sampoerna Tbk. establishes the Audit Committee to assist the Board of Commissioners in performing the supervisory and advisory duties in the following areas:

- 1) Enhancing the quality of the financial statements
- 2) Enhancing the effectiveness of risk management and internal control system
- 3) Enhancing the effectiveness of internal audit and external audit functions
- 4) Enhancing the compliance with the prevailing laws and regulations

This Audit Committee Charter is intended to provide the foundation for the implementation of the Audit Committee's functions and roles.

II. DUTIES AND RESPONSIBILITIES

In carrying out its functions, the Audit Committee acts independently in performing the following duties and responsibilities:

A. Financial Statements

The Audit Committee shall review the financial information prior to release to the public and/or authorities, such as the interim and annual financial statements, projections and other financial reports in order to ensure the financial information are fair and credible.

B. Risk Management

- 1) Reviewing the financial and business risk areas and ensuring that the management has managed such risks effectively;
- 2) Reviewing the effectiveness of the risk management action plans performed by the management;
- 3) Evaluating the effectiveness and adequacy of the Company's internal controls system in order to manage the financial and business risks and ensure the reliability of financial information, compliance with prevailing regulations and safeguarding of the Company's assets.



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C. Internal Audit

- 1) Providing recommendation to the Board of Commissioners on the appointment of the Head of Internal Audit Division;
- 2) Evaluating the qualification and experience of the Internal Audit Division to ensure the division possess the competency to carry out their responsibilities;
- 3) Reviewing the adequacy and the effectiveness of the audit work plan of the auditor and its implementation in order to ensure all key risks have been covered;
- 4) Evaluating the audit findings and the effectiveness of the management action plans, and monitoring the timeliness of the action plans implementation.

D. Public Accountant

- 1) Providing recommendation to the Board of Commissioners on the appointment of the Public Accountant with regard to the scope of work, competency, fees and the independency of the Public Accountant;
- 2) Reviewing and approving non-audit services performed by the Public Accountant;
- 3) Reviewing the adequacy and the effectiveness of the audit work plan of the Public Accountant;
- 4) Evaluating the audit findings and the effectiveness of the management action plans, and monitoring the timeliness of the action plans implementation;
- 5) Providing independent opinion in the event of any disagreement between the management and the Public Accountant for services rendered.

E. Compliance with Laws and Regulations

The Audit Committee shall review the changes of laws and regulations and the Company's business activities in order to ensure continuous compliance with the relevant laws and regulations.

F. Other Responsibilities

- 1) Reviewing any complaints or reports with regard to alleged violations related to financial reporting and providing recommendations to the Board of Commissioners;
- 2) Evaluating the Company's related party transactions in order to assess potential conflicts of interest and providing the opinions to the Board of Commissioners;
- 3) Maintaining the confidentiality of the Company's documents, data and information.



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III. AUTHORITIES

The Board of Commissioners shall give the Audit Committee authority to:

- 1) Gain full, free and unfettered access to records, employees, funds, assets and other Company's resources related to the undertaking of its duties;
- 2) Communicate directly with employees at all levels including the management and other parties that run internal audit and risk management and the Public Accountant related to the undertaking of its duties;
- 3) Receive professional advice from legal counsels or other professional services so long as they are related to the undertaking of its duties;
- 4) Involve independent parties other than the Audit Committee members with relevant experiences and expertise related to the undertaking of its duties, if necessary;
- 5) Request a special audit by internal auditors or the Public Accountant, if necessary;
- 6) In exercising its authorities, the Audit Committee shall work together with the Internal Audit Division.

IV. ORGANIZATION

A. Composition and Structure

- 1) The members of the Audit Committee are appointed and dismissed by the Board of Commissioners;
- 2) The Audit Committee comprises of no less than 3 (three) members of whom at least 1 (one) is the Independent Commissioner of the Company, whereas the other members are independent external parties;
- 3) The Independent Commissioner who is a member of the Audit Committee shall serve as the Chairman.

B. Membership Requirements

- 1) Members must have high integrity, adequate capabilities, knowledge and experiences in their area of duty, and good communication abilities;
- 2) One of the members must have an academic background and expertise in accounting or finance;
- 3) Members must have sufficient knowledge to read and understand financial statements, company's business, audit process and risk management;
- 4) Members must have sufficient knowledge of laws and regulations in capital market sector and other relevant laws and regulations;
- 5) Members are willing to continuously increase their competencies through education and training;



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- 6) Members must not be an insider of a Public Accounting Firm, Law Firm, Office of Appraisal Services or other parties who are or have been providing assurance service, non-assurance service, appraisal service and/or other advisory service to the Company within the past 6 (six) months prior to appointment;
- 7) Members must not be individuals who possess the authorities and responsibility to plan, lead, control or supervise the Company's activities within the past 6 (six) months prior to appointment, except for the Independent Commissioner;
- 8) Members must not be the shareholders of the Company, either directly or indirectly;
- 9) Members must not have business relationship, either directly or indirectly, that is related to the Company's business activities;
- 10) Members must not have any affiliate relationship with the Company, the Commissioners, the Board of Directors or Major Shareholders;
- 11) Members must not also serve as Audit Committee members in another Issuing Company or Public Listed Company that may pose conflicts of interest during the same period.

C. Terms of Service

The term of service of the Audit Committee must not be longer than the term of service of the Company's Board of Commissioners.

V. MEETINGS AND PROCEDURES

- 1) The Audit Committee meetings must be conducted at least once every 3 (three) months;
- 2) The Audit Committee meetings can be conducted if at least 2/3 of the members are present;
- 3) Meeting decisions are made based on deliberations for consensus and considered valid if they are approved by at least 2/3 of the attending members;
- 4) Meetings are chaired by the Audit Committee Chairman or the most senior Committee member if the Chairman is absent;
- 5) The Audit Committee may invite other parties related to the topics of the meeting, if needed;
- 6) Results of all meetings shall be documented in minutes of meeting, including any dissenting opinions, which shall be signed by all attending Committee members and submitted to the Board of Commissioners;
- 7) Before the end of the year, the Audit Committee shall submit the annual Audit Committee working plan and budgets for the following year to the Board of Commissioners.



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VI. REPORTING

- 1) The Audit Committee shall report to the Board of Commissioners upon each implementation of its activities, including the recommendations if necessary;
- 2) The Audit Committee shall convey the annual report of the implementation of its activities to the Board of Commissioners.

VII. OTHERS

Everything about the establishment and the guidelines for the work implementation of the Audit Committee that is not specifically provided for in this Audit Committee Charter shall be subject to the prevailing Financial Services Authority (OJK) regulations, as may be amended from time to time.

Jakarta, December 12th 2017

PT HM SAMPOERNA Tbk.

Prepared by,

Name : Goh Kok Ho
Position : Audit Committee Chairman

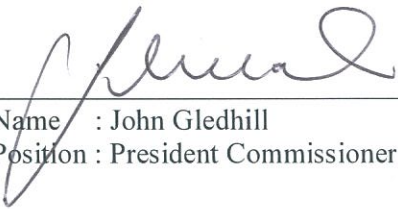
Name : R. B. Permana Agung Dradjattun
Position : Audit Committee Member

Name : Hanafi Usman
Position : Audit Committee Member



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Approved by,



Name : John Gledhill
Position : President Commissioner



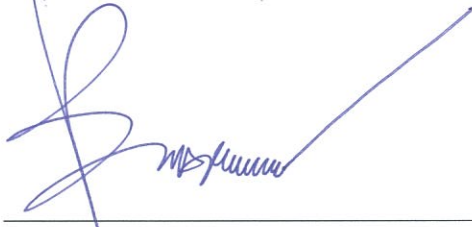
Name : Wayan Mertasana Tantra
Position : Vice President Commissioner



Name : Niken K. Rachmad
Position : Commissioner



Name : Goh Kok Ho
Position : Independent Commissioner



Name : R. B. Permana Agung Dradjattun
Position : Independent Commissioner