



FINANCE

## INTERNAL AUDIT CHARTER

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This charter was prepared based on **Financial Services Authority Regulation Number 56/POJK.04/2015** concerning the Establishment and Guidelines for the Preparation of the Internal Audit Unit Charter and **Financial Services Authority Regulation Number 48 of 2024** concerning Good Corporate Governance for Finance Institutions, Venture Capital Companies, Microfinance Institutions, and Other Financial Services Institutions.

This Charter is a work guideline for Internal Audit in carrying out the duties and mandates given by the Company's Board of Directors. The purpose is to provide *an independent* and objective assurance and consulting function for the internal organization of PT BFI Finance Indonesia Tbk (the Company), in order to increase the Company's value and operations.

Internal audit performs its role through a systematic approach, by evaluating and improving the effectiveness of risk management, internal controls, and overall corporate governance processes.

### I. STRUCTURE AND POSITION OF INTERNAL AUDIT

1. The Internal Audit Department is an independent department and is directly responsible to the President director.
2. Internal Audit members are employees of PT BFI Finance Indonesia Tbk, which is therefore subject to the applicable Company Regulations, including the procedures for appointment and dismissal as well as performance assessment of Internal Audit members.
3. In carrying out its activities, the Internal Audit Department coordinates and collaborates with the Company's Audit Committee which is structurally responsible to the Board of Commissioners.
4. The Internal Audit Department is led by 1 (one) Head of Internal Audit and at least 10 (ten) members, all of whom are from the Company's internal parties.
5. The auditor members who sit in the Internal Audit Department are directly accountable to the Chief Internal Auditor.
6. The Head of Internal Audit is appointed and dismissed by the President Director, after obtaining the approval of the Board of Commissioners. The dismissal of the Head of Internal Audit can be carried out if he does not meet the requirements as an Internal Auditor as stipulated in this regulation and/or fails or is not capable of carrying out his duties.

### II. INTERNAL AUDIT DUTIES AND RESPONSIBILITIES

1. Prepare and implement the annual Internal Audit plan;
2. Testing and evaluating the implementation of internal control and risk management systems in accordance with the Company's policies;
3. Conducting audits and assessments of efficiency and effectiveness in the fields of finance, accounting, operations, human resources, marketing, information technology, and other activities;
4. Provide suggestions for improvement and objective information on the activities examined at all levels of management;
5. Prepare a report on the results of the audit and submit the report to the President Director and the Board of Commissioners;
6. Monitor, analyze, and report on the implementation of recommended improvement follow-ups;
7. Cooperate with the Audit Committee;
8. Develop a program to evaluate the quality of Internal Audit activities carried out;
9. Perform special inspections when required; and
10. Compile rankings/*scoring* of audit results per branch to assess the level of compliance of each branch with applicable regulations, policies, and other provisions.



## INTERNAL AUDIT CHARTER

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### III. INTERNAL AUDIT AUTHORITY

1. Access all relevant information about the Company related to its duties and functions;
2. Communicate directly with the Board of Directors, Board of Commissioners, and/or Audit Committee as well as members of the Board of Directors, Board of Commissioners, and/or Audit Committee;
3. Hold regular and incidental meetings with the Board of Directors, Board of Commissioners, and/or Audit Committee; and
4. Coordinating its activities with external auditors.

### IV. INTERNAL AUDIT CODE OF CONDUCT

#### 1. Integrity

Internal Auditors uphold integrity in every performance of their duties. Integrity creates trust and builds confidence in the results of assessments and conclusions submitted.

#### 2. Objectivity

Internal Auditors are required to maintain the highest level of objectivity and professionalism in collecting, evaluating, and conveying information related to audited activities or processes. The assessment is carried out fairly and thoroughly on all relevant conditions, without being influenced by personal interests or pressure from any party.

#### 3. Confidentiality

The Internal Auditor is obliged to respect the value and ownership of the information and data obtained during the audit process. Such information may not be disclosed to other parties without the consent of the authorities, unless required by laws and regulations.

#### 4. Competency

Internal Auditors must have sufficient knowledge, skills, and experience to carry out their duties professionally. Auditors are also expected to continue to improve their competencies through continuous training and development.

### V. INTERNAL AUDITOR REQUIREMENTS AND QUALIFICATIONS

1. Have high integrity and conduct that is professional, independent, honest, and objective in every performance of their duties;
2. Have adequate knowledge and experience regarding audit techniques and other disciplines relevant to their field of work;
3. Have knowledge of laws and regulations in the field of capital market and other related laws and regulations;
4. Have the ability to interact and communicate both verbally and in writing effectively;
5. Must comply with professional standards issued by the Internal Audit association;
6. Must comply with the Internal Audit code of ethics;
7. Obligated to maintain the confidentiality of the Company's information and/or data related to the implementation of the duties and responsibilities of the Internal Audit, unless required under laws and regulations or court determinations/decisions;
8. Understand the principles of good corporate governance and risk management; and
9. Willing to continuously improve their knowledge, expertise and professionalism.

### VI. INTERNAL AUDIT COORDINATION AND ACCOUNTABILITY MECHANISM

The Head of the Internal Audit Department shall be accountable for the implementation of his duties to the President Director and the Board of Commissioners through the Audit Committee by:

1. To provide an assessment of the adequacy and effectiveness of the processes carried out by the Company to control its activities and manage risks from the areas covered by it; and
2. Periodically provide information on the status and results of annual audit planning and resource adequacy.



FINANCE

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### **VII. DEPARTMENT TRAPS**

The Internal Auditor is not allowed to carry out duties as the executor of the Company's operational activities in the Company, except with the written approval of the President Director and the President Commissioner without reducing the Company's *internal control functions*. In the event that there is a trap of duties, if the department/work unit where the party concurrently holds the position is being audited, then the person concerned must not be involved in the implementation of the audit process.

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