

PT TOYOTA ASTRA FINANCIAL SERVICES

AUDIT COMMITTEE CHARTER

1. STATEMENT OF POLICY

The Audit Committee (“AC”) shall provide assistance to the Board of Commissioners (“BOC”) in fulfilling their responsibility to the shareholders and investment community relating to corporate accounting, reporting practices of the corporation, and the quality and integrity of the financial reports. In so doing, it is the responsibility of the audit committee to maintain free and open means of communication among the members of the Board of Commissioners (BOC), members of the Board of Directors (BOD), Independent External Auditors (EA), and Internal Auditors (IA) of the Company.

- 1.1 The AC is a committee established by the BOC and is responsible to the BOC. Its primary function is to assist the BOC in fulfilling its oversight responsibilities and will perform the responsibilities set out in Section 3 of this Charter.
- 1.2 The AC will perform its functions in accordance with and as required by prevailing laws, the Indonesian Stock Exchange and in accordance with instructions received from the BOC.
- 1.3 The AC has a responsibility to function as an oversight committee of the BOC on activities conducted in PT Toyota Astra Financial Services (the “Company”).
- 1.4 In performing its duties, the AC will maintain effective working relationships with the BOC, BOD, IA, EA, and related division(s) and/ or department(s) of the Company. To perform their role effectively, each AC member will obtain an understanding of the responsibilities of AC membership as specified by the BOC and will not disclose confidential information to unauthorized persons without prior written consent of the BOC.
- 1.5 The BOD bear primary responsibility for the financial and other reports, for establishing the system of internal controls and for ensuring compliance with laws, regulations and Company policies.
- 1.6 The AC relies on the information provided by the BOD, the IA and the EA in carrying out its oversight responsibilities.

- 1.7 The AC members are not acting as professional accountants or auditors, and their function is not intended to duplicate the roles and responsibilities of BOD, the IA, and the EA. The AC provides independent advice to the BOC on reports (as defined in this Charter) submitted to the BOC. The AC also counsels and provides guidance to the IA and the EA based on the information it receives.

2. PROCEDURE OF WORK

2.1 General Activity

The AC shall investigate any activity, within the scope of its responsibilities, and to seek and request:

- any information from any employee through the Corporate Secretary (and all employees are directed to cooperate with any request made by the AC);
- any information from External parties with coordination to the Corporate Secretary;
- any information provided by the BOD directly or through the related division(s) and/or department(s), the IA and the EA;
- a summary of the activities of the Company including identification of significant operational matters from BOD through the related division(s) and/or department(s);
- a summary of the activities from the Internal Audit;
- a summary of significant legal issues or instances of legal non-compliance that have been identified from the Corporate Legal and Secretary Department;
- a summary minutes of meetings conducted by the BOC and BOD from the Corporate Secretary.

2.2 Investigation and Forum Discussion

In purpose to investigate any activity abovementioned, the AC could:

- held meeting, whether:
 1. Formal AC meetings which could be extended to the President Director, the Finance Director, the Corporate Secretary, Head of the IA, the EA and others as deemed necessary by the AC, or
 2. Informal AC meetings which shall include the IA and EA.
- obtain outside legal or other professional advice with prior consultation with the BOC.

2.3 Recommendation and Monitoring

After the investigation, the AC should:

- counsel and provide guidance to the IA and the EA based on the information receive;
- provide independence opinion of any difference between Management and Accountant;
- determine whether appropriate actions have been taken by the BOD regarding matters raised in reports submitted by the IA, or any significant failure by the BOD to take appropriate action.
- provide independent advices to the BOC;
- provide recommendations to the Board of Commissioners regarding the appointment of EA of its independency, scope of work and fee;
- notify the BOC if they become aware of any new information or changes in circumstances that may affect their independence;
- provide the BOC in written report setting out details of the activities of the AC, providing recommendations for follow up, and detailing significant matters that need to be brought to the attention of the BOC;
- Prepare a report for inclusion in the Annual Report detailing the activities of the AC, which, among others, should include :
 1. Details of significant violations against laws, if any; and
 2. Material mistakes or inappropriate disclosures in the financial statements, inadequacies in the system of internal control, and any lack of independence of the External Auditor, if any.
- Request that a summary report detailing significant matters (which would have a material adverse effect to the Company to conduct the business).

3. ORGANIZATION

The AC shall be composed of members who are independent from the management of the Company and are free of any relationship that would interfering their exercise of independent judgment, role and responsibility as a committee member.

a. Membership

- 3.1 The AC shall be composed of not less than three members consisting of at least one (1) Independent Commissioner and two (2) external independent members. The shall fulfill independent criteria as defined as having no involvement either with the Company or the management of the Company for a period of at least six (6) months prior to the appointment which lead to cause conflict of interest. Prospective members of the AC are required to inform the BOC in writing prior to their appointment as a member of the AC of any potential conflicts that may affect their independence. Members of the AC are required to notify the BOC in writing if they

become aware of any new information or changes in circumstances that may affect their independence.

The member of AC shall (1) At least one (1) member of the AC shall be experienced in audit, accounting, finance, and/ or having served as a senior officer (Chief Executive, Finance Director, or other senior position) with financial oversight responsibilities, (2) in comply with and subject to prevailing laws, the Indonesian Stock Exchange and in accordance with guidance received from the BOC, (3) enhance their competency through training.

- 3.2. The members of the Audit Committee shall be appointed by the Board of Commissioners for a term of 2 years from the appointment date and shall be eligible for re-election maximum one more period.
- 3.3. The BOC shall nominate, appoint and discharge the members of the AC. Any change shall be reported accordance with prevailing law to related authorized institution and will be uploaded in website.
- 3.4. Resignation from the AC must be made in writing to the BOC not less than one (1) month before the effective date.
- 3.5. In the event that a member of the AC can not perform their duties for any reason, and the number of active AC members falls below three (3), the BOC shall appoint a temporary independent member for a maximum period of six (6) months while an acceptable permanent member is identified and appointed.
- 3.6. The chairman of the AC will be the Independent Commissioner to be appointed by the BOC.

b. Meetings

- 3.7. Formal AC meetings have to be conducted at least once every three months (quarterly basis). The BOC, BOD, IA, and EA may request to convene an additional meeting of the AC if they consider that it is necessary to discuss a matter of importance.
- 3.8. Formal meetings are be conducted as follows:

Notice for formal meetings of the AC shall be carried out by the Chairman of the AC (or his nominated representative) at the latest two (2) days prior to the meeting and delivered directly to each member of the AC against proper receipt, or if by email, telex or fax to be followed by written notice directly delivered against proper receipt.

Invitation to attend the formal meeting may be extended to the President Director, the Finance Director, the Corporate Secretary, Head of the IA, the EA and others as deemed necessary by the AC.

3.9. Informal meetings are to be conducted as follows

A formal notice is not required for convening an informal meeting, although all members of the AC should be provided with reasonable prior notice to enable all members of the AC to attend. These informal meetings shall include meetings with the IA and EA.

Minutes of informal meetings shall be tabled for acceptance at formal meetings.

3.10. The proceedings of all meeting will be recorded, including any dissenting opinions (if any). The minutes of formal meetings will be signed by the Chairman of the meeting and all other members of the AC in attendance, and will be distributed to AC members. Minutes of informal meetings of the AC will be signed by the Chairman of the meeting and attached to the minutes of formal meetings.

3.11. The AC shall appoint the Corporate Secretary of the Company to take minutes of all AC meetings.

c. Meeting Quorum

3.12 The quorum of all meetings is a minimum of two thirds (2/3) of the members of the AC. If the quorum for the AC is not met, then consequently the meeting shall be rescheduled.

3.13 In the case of formal meetings, this is to be rescheduled at least at the latest seven (7) days after such postponement or any other time as agreed by all AC Members. Notice for the second meeting shall be at the latest two (2) days prior to the second meeting.

3.14 All resolutions of AC meeting shall be adopted based on deliberations with a view to achieve consensus.
If no decision can be adopted through deliberation, then the resolutions shall be approved by voting comprises at least two (2) members of the AC.

3.15 The AC may also adopt recommendations without convening meeting, provided that all members have been notified in writing and given their approval in writing.

4. ROLE AND RESPONSIBILITIES

4.1 The AC will review the following matters:

- Reports provided to the BOC – review reports provided to the BOC for consistency with AC’s knowledge of activities.
- Financial reports issued to external parties – review the quality of financial reports issued to external parties for consistency with the AC’s knowledge of activities.
- BOD meetings – review of significant BOD decisions upon BOC’ request.
- Internal Control – review actions taken to determine whether effective internal controls are in place or not, and also the results of these activities.
- Compliance – review the plans and results of activities conducted by the Internal Audit and External Audit functions to assess whether risks have been appropriately evaluated in the performance of their work, or not. Review further action conducted by the Board of Director through Internal Audit finding.
- External Auditor – examine the objectivity and independence of the External Auditor.
- Laws and Regulations – review adequacy of monitoring compliance with laws, regulations, conflicts of interest and business ethics.

4.2 Reporting responsibilities will comprise:

- Maintaining communication with the President Commissioner and Vice President Commissioner on as requested basis.
- Providing the BOC report at least once every three (3) months (quarterly basis) setting out details of the activities of the AC, providing recommendations for follow up, and detailing significant matters through BOC Meeting.
- Determining whether appropriate actions have been taken by the BOD regarding matters raised in reports submitted by the AC, or any significant failure by the BOD to take appropriate action to the BOC.

- Providing independence opinion of any difference between Management and Accountant;
- Providing recommendation to the Board of Commissioner regarding the appointment of Accountant of its independency, scope of work and fee;
- Analyzing any disagreement related to accounting process and financial report;
- Preparing a report for inclusion in the Annual Report detailing the activities of the AC, which, among others, should include :
 - Details of significant violations against laws, if any; and
 - Material mistakes or inappropriate disclosures in the financial statements, inadequacies in the system of internal control, and any lack of independence of the External Auditor, if any.
- Giving recommendation regarding the appointment of public accountant and public accountant office to the Board of Commissioners to be delivered to the Shareholders.

5. AUTHORITY

5.1 The BOC and BOD authorize the AC to investigate any activity, within the scope of its responsibilities, and to seek and request directly at any time information it requires from:

- Document, data, and the Company's information related to employees, funding, asset, and the necessary Company's resources.
- any employee including BOD and any party conducting IA function and accounting related to AC responsibilities;
- External parties with coordination to the Corporate Secretary (if necessary).

5.2 The following reports on the activities of the Company should be submitted to the AC :

- Quarterly from the BOD through the related divisions and departments – a summary of the activities of the Company including identification of significant operational matters (which would have a material adverse effect to the Company to conduct its business), together with a

commentary on the results, major or unusual transactions, and changes in accounting policies.

- Quarterly from the Internal Audit – a summary of the activities of the Internal Audit together with a summary of Internal Audit activities and significant findings.
- Quarterly from the Legal and Secretary Department – summary of significant legal issues or instances of legal non-compliance that have been identified as well as summary of minutes of meetings conducted by the BOC and BOD.

The format of these reports will be assessed and agreed from time to time with the reporting party.

5.3 Prior consultation with the BOC or the Company, the AC is authorized to obtain outside legal or other professional advice, the cost of which will be borne by the Company.

5.4 To exercise other authorities given by the BOC.

6. MONITORING ANY PLAINT OF ALLEGATION OF FINANCIAL REPORT VIOLATION SUCH AS:

- a. Inaccuracy in financial report presentation
- b. Suspected record manipulation for:
 - Window dressing purposes
 - Understating and/or overstating the financial report
- c. Error in the authorization of financial documentations and/or financial report

7. AMENDMENTS TO CHARTER and PERFORMANCE OF AUDIT COMMITTEE

7.1 The AC will:

- Review and update the AC Charter if necessary and obtain approval for any changes from the BOC.
- Be evaluated by the BOC on a regular basis.

7.2 In the case of any conflict between this Charter and any appropriate Government regulations, the Government regulations will prevail.