

AUDIT COMMITTEE CHARTER PT PP LONDON SUMATRA INDONESIA Tbk

Audit Committee of PT PP London Sumatra Indonesia Tbk (the “**Company**”) is established by and to be responsible to the Board of Commissioners in order to assist the roles and functions of Board of Commissioners, based on the regulation of the Indonesian Capital Market and Financial Institution Supervisory Board (Badan Pengawas Pasar Modal dan Lembaga Keuangan or BAPEPAM-LK) and within the good corporate governance.

Audit committee charter covers roles and responsibilities and also authorities; membership composition, structure and conditions; working governance and procedures; organization policy of meeting; system of activities reporting; policy regarding the handling of complaints or reporting in respect of the alleged violation related to financial reporting; and Audit Committee tenure.

This Audit Committee Charter has fulfilled the provision in BAPEPAM-LK Regulation No. IX.1.5 based on the decision of the Chairman of BAPEPAM-LK No. Kep-643/BL/2012 dated 7 December 2012 on the Establishment and Implementation Guidelines for the Audit Committee.

MISSIONS

Audit Committee missions are to assist the Board of Commissioners in implementing the supervision function by reviewing the financial statements, internal control system, audit processes, the Company’s compliance to the prevailing laws and regulations, code of conduct and initiative of the Company’s risk management.

ORGANIZATION

Audit Committee directly responsible to the Board of Commissioners. Audit Committee will use the works of internal and external auditors in doing most of its supervision function.

All Audit Committee reports can be recommended with the final decision at the Board of Commissioners or the responsible Directors.

COMPOSITION AND STRUCTURE OF MEMBERSHIP

Audit Committee is appointed and dismissed by Board of Commissioners. Audit Committee consists of 3 (three) members, those are Independent Commissioner as the Chairman of Audit Committee and external parties of the Company.

MEMBERSHIP CONDITIONS

1. Should have high integrity, capability, knowledge, experience conform to their roles, and also able to communicate effectively.
2. Should understand the financial statements, the Company's business specifically those which are related to the Company's services or business activities, audit processes, risk management, and regulations in Capital Market and also other related laws.
3. Should comply with the code of conduct of the Audit Committee stipulated by the Company.
4. Be ready to continuously improve competency through education and training.
5. Should have at least one member whose education and experience background is in accounting and/or finance.
6. Not part of Public Accountant Firm, Legal Consultant Firm, Public Appraisal Firm or other firms that provide assurance service, non-assurance service, appraisal service and/or other consultation services to the Company in the last 6 (six) months.
7. Not the person who work or have authorities and responsibilities to plan, lead, influence, or control the Company's activities in the last 6 (six) months except the Independent Commissioner.
8. Do not have shares either directly or indirectly in the Company.
9. In the event the member of the Audit Committee gain shares either directly or indirectly due to an event of law, then in a maximum period of 6 (six) months after obtaining the shares should be transferred to other parties.
10. Not having affiliation relationship with the Company, Board of Commissioners members, Board of Directors members, or the Company's major shareholders.
11. Not having the business relationship either directly or indirectly which related to the Company's business activities.

TENURE

Tenure of the Audit Committee members shall not longer than the Board of Commissioners and can only be re-appointed for one more term.

ROLES AND RESPONSIBILITIES AS WELL AS AUTHORITIES

ROLES AND RESPONSIBILITIES

Audit Committee should ensure their understanding on the Company's structure, internal control, and type of transactions to adequately assess the significant risks faced by the Company.

Audit Committee in charge of giving opinion to the Board of Commissioners of the findings, identify things that need attention of the Board of Commissioners, and execute other actions that relate with the Board of Commissioners' roles, such as:

1. Conduct a review of the financial information that will be issued by the Company to the public and/or authority parties such as financial statements, projection, and other reports related to the Company's financial information.
2. Conduct a review of the compliance to the laws that related to the Company's activities.
3. Giving independent opinion in the event of disagreements between management and accountant for service rendered.
4. Giving recommendation to the Board of Commissioners regarding the appointment of Accountant based on independency, scope of work, and fee.
5. Conduct a review of the audit execution by internal auditor and monitor the follow up action by Board of Directors for the internal auditor's findings.
6. Conduct a review of the risk management activities executed by Board of Directors.
7. Conduct a review of complaint related to the Company's accounting and financial reporting processes.
8. Conduct a review and advise the Board of Commissioners related to the potential conflict of interest of the Company.
9. Maintain confidentiality of the Company's documents, data and informations.

AUTHORITIES, PROCESSES AND PROCEDURES IN EXECUTION OF ROLES AND RESPONSIBILITIES

1. Access the Company's documents, data and informations about the Company's employees, funds, assets, and resources needed.
2. Directly communicate with employees, included Board of Directors and other parties who execute the function of internal audit, risk management, and Accountant in relation to the roles and responsibilities of the Audit Committee.

3. Involve the independent parties, outside the Audit Committee members, if necessary, to assist their roles execution.
4. Execute the others authority granted by the Board of Commissioners.

ORGANIZATION POLICY OF MEETING

Audit Committe conducts meeting regularly at least 4 (four) times in 1 (one) year which may only be conducted if meeting is attended by more than 1/2 (half) of the members.

Audit Committee may convene a special meeting with Management, Internal Auditor and External Auditor. Audit Committee may invite each functionary and/or employees of the Company, External Auditor, advisory from outside the Company, Committe advisory or person or other parties to attend meetings and gain the required informations.

Audit Committe meeting decisions are taken based on deliberation and consensus and each Audit Committee meeting contained in the minutes of meeting, include in the event of dissenting opinions, which is signed by the whole attended members of Audit Committee and submitted to the Board of Commissioners.

SYSTEM OF ACTIVITIES REPORTING

Audit Committee should prepare reports to the Board of Commissioners of each assignment granted and should prepare annual report of Audit Committee activities execution which will be disclosed in the Company's annual report.

HANDLING OF COMPLAINTS OR REPORTING IN RESPECT OF THE ALLEGED VIOLATION RELATED TO FINANCIAL REPORTING

The main responsibility of the Audit Committee is to supervise or assess the adequacy of the Company's financial statements disclosures and proper reporting process on behalf of the Board of Commissioners and report their activities results to them.

Audit Committe should discuss with Management, Internal Auditor, and External Auditor regarding the adequacy and effectiveness of accounting and financial control, included the Company's policy and procedure to assess, control and manage business risks, and compliance program to the laws and business conduct (included the Company's Code of Conduct). Each opinion gained from the Internal and External Auditors of the Company's on the Company's decision to choose or determine the accounting policy or method should cover the opinion of its fairness decision and not only cover the choice or method acceptability.

Audit Committee should conduct a review together with Internal and External Auditors on each audit problem or difficulty or barriers incurred and management responses.

Audit Committee should receive regular reports from External Auditor in the event of important things which relevant to the Company's policy and activities, and all

improvement of the financial information which relevant to the prevailing generally accounting principles that have been discussed with management.

Audit Committee should prepare report to the Board of Commissioners regarding the all findings, include the alleged violation related to financial reporting, and also the recommendation to handle such findings.

CONCLUSION

This Audit Committe Charter was effective since 24 May 2013.

Audit Committe should review the Audit Committee Charter at least every year and obtain approval from the Board of Commissioners.