

INTERNAL AUDIT

PT. CENTRAL PROTEINA PRIMA Tbk

This is a translated version of the original article, which was written in Indonesian. In the event of any conflict between the translated and the original versions, the Indonesian version shall prevail.

INTERNAL AUDIT CHARTER

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CHAPTER I

INTRODUCTION

I.1. Background:

PT Central Proteina Prima Tbk, hereinafter referred to as the Company, is a public company listed on the Indonesia Stock Exchange (BEI). Thus, the Company is required to comply with the provisions of capital market and applicable regulations relating to the Company's operations.

To encourage the Company to run in accordance with the principles of Good Corporate Governance (GCG) as stipulated in the Laws and Decision Letter of Bapepam-LK No. KEP-496/BL/2008 on the Establishment and Guidelines for the Internal Audit Charter, the Company hence formed the Internal Audit to perform the function of internal control. The function includes evaluating the effectiveness of the Company's internal control, risk management and corporate governance in accordance with the Company's applicable regulations and policies.

I.2. Definition:

Internal Audit is an activity providing confidence (assurance) as well as independent and objective consulting, aimed at increasing the value and improving the Company's operations, by means of a systematic approach, reviewing and improving the effectiveness of risk management, internal control and corporate governance process within the Company.

I.3. Vision and Mission:

The Internal Audit's vision is to be a professional, independent and trusted management partner in order to achieve the Company's Vision and Mission.

The Internal Audit's Mission includes:

- 1) Run the oversight function to ensure that the internal control, risk management and Good Corporate Governance (GCG) implementation in the Company's operational processes and other business activities has been run in accordance with the provisions, the Company's objectives and applicable laws and regulations; and
- 2) Provide consulting services and as a catalyst to assist management and auditees in achieving objectives as well as being a competent partner for the Audit Committee in carrying out oversight functions.

I.4. Purpose and Objectives:

The Internal Audit Charter was prepared as a guideline for the Internal Audit to carry out its authority, duties and responsibilities in a competent, independent and accountable manner so that it can be accepted by all parties concerned.

I.5. Strategies:

- a. Enhance the role of the Internal Audit as a strategic business partner who adds value for management and the entire organization in order to achieve the Company's objectives;
- b. Develop the Internal Audit organization to be effective and efficient with highly competent human resources; and
- c. Maintain and enhance the independency, objectivity and professional ethics.

CHAPTER II ORGANIZATION

II.1. Internal Audit Structure and Position:

- a. The Internal Audit Unit is led by the Head of Internal Audit;
- b. The Head of Internal Audit is appointed and dismissed by the President Director with the approval of the Board of Commissioners;
- c. The President Director may dismiss the Head of Internal Audit, after obtaining approval from the Board of Commissioners, if the Head of Internal Audit does not qualify as set out in this Charter and/or fail or incompetent in performing duties;

- d. Each appointment, replacement, and dismissal of the Head of Internal Audit, shall immediately be notified to the Financial Services Authority (OJK);
- e. The Head of Internal Audit is responsible to the President Director; and
- f. Auditors from the Internal Audit is directly responsible to the Head of Internal Audit.

II.2. Internal Auditor Requirements and Obligations:

- a. Have integrity and professional behavior, independent, honest and objective in performing duties;
- b. Possess technical knowledge and experience in the audit and other relevant disciplines in their respective sectors;
- c. Possess knowledge of the law in the field of capital market and related laws and regulations;
- d. Understand the principles of Good Corporate Governance (GCG) and risk management;
- e. Have the ability to interact and communicate both in verbal and writing effectively;
- f. Adhere to professional standards issued by the Internal Audit association;
- g. Shall comply with the Internal Audit code of conduct;
- h. Shall maintain confidentiality of the Company's information and/or data associated with implementation of the Internal Audit's duties and responsibilities, except as stipulated by provisions of laws and regulations or establishment/ court decision;
- i. Improve the knowledge, skills and professional capabilities continuously;
- j. Every auditor and executive from the Internal Audit is not allowed to:
 - 1) Have concurrent tasks and positions in the operational activities, both within the Company and Subsidiaries;
 - 2) Initiate or approve accounting transactions, except for the purpose of recording in the Internal Audit function; and
 - 3) Direct the activities of the Company's activities that are not from the Internal Audit function, except when the employee is seconded as an audit team.

II.3. Internal Audit Duties, Responsibilities and Authority:

II.3.1. Duties and Responsibilities of the Internal Audit are:

- a. Develop and implement an Annual Inspection Plan that consists of:
 - 1) Operational & Financial Audit;
 - 2) Internal Control Review;
 - 3) Special Audit.
- b. Perform inspection and assessment of the efficiency and effectiveness in the areas of finance, accounting, operations, human resources, marketing, Information Technology and other activities in the organization of the Company;
- c. Provide suggestions for improvements and objective information about the activities examined at all management levels;
- d. Create audit and review/evaluation reports submit them to the Company's President Director and related parties in follow-up recommendations;
- e. Monitor, analyze and report the implementation of the suggested improvements;
- f. Conduct special inspections when required by special assignment from the President Director or as a development of the previous inspection; and
- g. Develop and implement an Internal Audit annual plan.

II.3.2. Authority of the Internal Audit includes:

- a. Access all relevant information about the Company, Subsidiaries, Corporate Affiliates and Agency established by the Company in relation to the Internal Audit's duties and functions, including but not limited to entering all work areas and having access to all documents, records, application systems, database, recording, media data storage and other information;
- b. Communicate directly with the Board of Directors, the Board of Commissioners, and/or their members;
- c. Conduct meeting on a regular and incidental basis with the Board of Directors, the Board of Commissioners, and/or the Audit Committee;
- d. Coordinate the activities of Internal Audit with those of the External Auditors; and
- e. In the event that audit or other tasks require special expertise, the Internal Audit can use outside experts from both within and outside the Company, as long as it is in accordance with applicable regulations,

including the obligation to maintain the confidentiality of the data and information of the Company, Subsidiaries, Affiliated Companies and Agency established by the Company.

CHAPTER III

CODE OF ETHICS, RELATIONSHIPS WITH OTHER PARTIES AND FOLLOW-UP RESULTS OF AUDIT AND REVIEW

III.1. The Internal Audit Code of Ethics:

III.1.1. Integrity:

- a. Must demonstrate honesty, objectivity and seriousness in implementing the tasks and fulfilling professional responsibilities;
- b. Must demonstrate loyalty to the Company, the Internal Auditor shall not be involved in various deviate or unlawful activities;
- c. Shall not engage in actions or activities that may discredit the profession as Internal Auditor profession or the Company; and
- d. Must abide by the laws, corporate ethics and prevailing regulations.

III.1.2. Objectivity and Independence:

- a. Must refrain from activities that may conflict with the Company's interests; or activities that could potentially prejudice, which in turn can raise doubts over the ability to carry out duties and fulfill professional responsibilities objectively;
- b. Shall not receive anything in any form from auditee and other parties related to the audit work, or reasonably suspected to get anything that can influence the professional judgment;
- c. Must not have a sense of partisanship, fear and ambition that can affect activities undertaken and responsibilities assigned;
- d. The Internal Auditors are free from intervention of the interests of certain individuals or groups in the conclusion of the examination for the Company's interest;
- e. In reporting the work results, the Internal Auditor must disclose all important facts and known valuable material, such as facts needed to be disclosed, otherwise:
 1. Distorting and or misleading the interpretation of the audit report or;

2. Covering the unlawful practices.

III.1.3. Confidentiality:

- a. Must be cautious and prudent in using the information obtained, and always maintain the confidentiality of all data and information obtained within or relating to the duties execution; and
- b. Not allowed to use the information for personal or group benefit which can cause the Company's losses.

III.1.4. Competence:

- a. Carry out any assignments in which related personnel use the knowledge, expertise, experience; and other professional competence; and
- b. Must constantly improve the competence, effectiveness and quality of duties execution, and is obliged to participate continuing professional education.

III.2. Relations with other Parties:

III.2.1. Relations with the Audit Committee:

- a. To identify possible internal control weaknesses, the Audit Committee obtains audit results through the mechanism of the Board of Directors' reporting to the Board of Commissioners if requested by the Board of Commissioners; and
- b. The Internal Audit shall coordinate with the Audit Committee to hold regular or incidental meetings to discuss the Internal Audit findings or other matters that indicate internal control weaknesses. The meeting may be attended by other parties deemed necessary by the Audit Committee.

III.3. Follow-Up Results of the Audit and Review:

Follow-up or improvement step over the results of the audit and review/evaluation shall be conducted by the auditee and/or related party as set out in the reports of audit and review/evaluation. The Internal Audit's responsibilities are to monitor and assess to improvements made by the auditee and its superiors, and report the

results of follow-up monitoring, including in the event that the auditee and its superiors failed to follow through, to the President Director and the Board of Commissioners.

CHAPTER IV

CLOSING

Validity period and evaluation:

1. This Charter is effective from November 1, 2015 and to be expired or replaced when revisions are issued;
2. This Charter is to be reviewed periodically at least 1 (one) year since enacted, or sooner in the event of regulatory and policy change, in accordance with applicable regulations and the future needs of the Company.

The Internal Audit Charter Determination Sheet
of PT Central Proteina Prima, Tbk
Set in Jakarta on November 1, 2015

Gen. TNI (Ret) Fachrul Razi
President Commissioner

Irwan Tirtariyadi
President Director