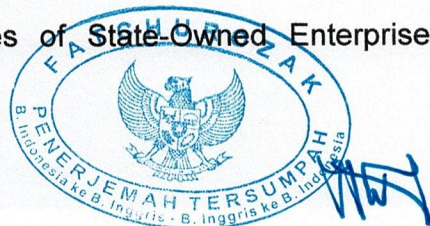




JOINT DECREE OF THE BOARD
OF COMMISSIONERS AND BOARD OF DIRECTORS
OF PT BUKIT ASAM Tbk
NUMBER: 250E/0100/2023
NUMBER: 13/SK/PTBA-DEKOM/XII/2023
CONCERNING
CORPORATE GOVERNANCE POLICY OF PT BUKIT ASAM Tbk

BOARD OF COMMISSIONERS AND DIRECTORS OF
PT BUKIT ASAM Tbk

- Considering :
- a. that PT Bukit Asam Tbk ("PTBA") has a Corporate Governance Policy which is determined under the Joint Decree of the Board of Commissioners and Board of Directors Number 07/SK/PTBA-DEKOM/IX/2020 and Number 397/0100/2020 concerning the Corporate Governance Policy of PT Bukit Asam Tbk.
 - b. That, on 3 March 2023, the Minister of State-Owned Enterprises ("BUMN") determined (i) Regulation of the Minister of BUMN Number PER-1/MBU/03/2023 concerning Special Assignments and Social and Environmental Responsibility Programs for State-Owned Enterprises, (ii) Regulation of the Minister of BUMN Number PER-2/MBU/03/2023 concerning Guidelines for Governance and Significant Corporate Activities of State-Owned Enterprises,



and (iii) Regulation of the Minister of BUMN Number PER-3/MBU/03/2023 concerning Organs and Human Resources of State-Owned Enterprises, where the regulations of the Minister of BUMN are effective on 24 March 2023.

- c. That, in relation to letter b above, PTBA as a Subsidiary of BUMN has ratified the Regulation of the Minister of BUMN as mentioned above at the PTBA's Annual GMS for the Fiscal Year of 2022 on 15 June 2023.
- d. That, in relation to letters b and c above, it is necessary to make adjustments to PTBA's Corporate Governance Policy with applicable laws and regulations primarily relating to the regulations of the Minister of BUMN mentioned above, regulations in the capital market sector, and GCG best practices in general.

In view of : 1. Law Number 40 of 2007 concerning Limited Liability Companies (State Gazette of the Republic of Indonesia of 2007 Number 106, Supplement to State Gazette of the Republic of Indonesia 4756) as last amended by Government Regulation in Lieu of Law of the Republic of Indonesia Number 2 of 2022 concerning Human Settlements, or Job Creation



(State Gazette of the Republic of Indonesia 2022 Number 238);

2. Government Regulation of the Republic of Indonesia Number 56 of 1990 concerning the Dissolution of the Coal Mining Public Company (Perum) and Additional Capital Participation of the Republic of Indonesia in the Shares of the Company (Persero) PT Tambang Batubara Bukit Asam (State Gazette of the Republic of Indonesia of 1990 Number 81);
3. Government Regulation of the Republic of Indonesia Number 55 of 2002 concerning Addition of State Capital of the Republic of Indonesia to the capital stocks or Share Capital of the Company (Persero) PT Tambang Batubara Bukit Asam (State Gazette of the Republic of Indonesia of 2002 Number 101);
4. Government Regulation Number 46 of 2022 concerning the Establishment of a Limited Liability Company (Persero) in the Mining Sector (State Gazette of the Republic of Indonesia of 2022 Number 220).
5. Regulation of the Minister of BUMN Number PER-1/MBU/03/2023 concerning Special Assignments



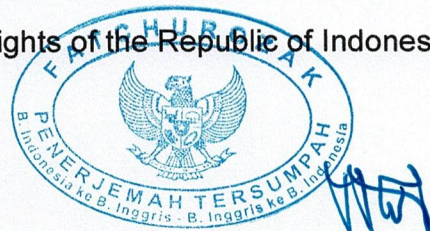
and Social and Environmental Responsibility Programs for State-Owned Enterprises;

6. Regulation of the Minister of BUMN Number PER-2/MBU/03/2023 concerning Guidelines for Governance and Significant Corporate Activities of State-Owned Enterprises;
7. Regulation of the Minister of BUMN Number PER-3/MBU/03/2023 concerning Organs and Human Resources of State-Owned Enterprises;
8. Financial Services Authority Regulation Number 33/POJK.04/2014 concerning Board of Directors and Board of Commissioners of Issuers or Public Companies;
9. Financial Services Authority Regulation Number 35 /POJK.04/2014 concerning Corporate Secretaries of Issuers or Public Companies;
10. Financial Services Authority Regulation Number 21/POJK.04/2015 of 2015 concerning Implementation of Public Company Governance Guidelines;
11. Financial Services Authority Regulation No.34/POJK.04/2015 concerning Nomination and Remuneration Committees for Issuers or Public



Companies;

12. Financial Services Authority Regulation Number 55/POJK.04/2015 of 2015 concerning the Establishment and Implementation Guidelines for the Audit Committee;
13. Financial Services Authority Regulation Number 56/POJK.04/2015 concerning the Establishment and Guidelines for Preparing the Internal Audit Unit Charter;
14. Regulation of Financial Services Authority Number 11/POJK.04/2017 of 2017 concerning Ownership Reports or Any Changes in Ownership of Public Company Shares.
15. The latest Articles of Association of PT Bukit Asam Tbk as amended several times and most recently by the Deed of Statement of Resolution of the Annual General Meeting of Shareholders of PT Bukit Asam Tbk for Fiscal Year 2022, as contained in Deed Number 61 dated 15 June 2023 made by Jose Dima Satria, S.H., M.Kn Notary Public in Jakarta, whose notification has been received by the Minister of Law and Human Rights of the Republic of Indonesia based on the Decree of the Minister of Law and Human Rights of the Republic of Indonesia



Number: AHU.AH.01.03- 0090409 dated 12 July 2023 Regarding Receipt of Notification of the Articles of Association of PT Bukit Asam Tbk and Decree of the Minister of Law and Human Rights of the Republic of Indonesia Number: AHU-AH.01.09-0138986 dated 12 July 2023 Regarding Receipt of Notification of Amendments to Company Data PT Bukit Asam Tbk.

16. The composition of the Management of PT Bukit Asam Tbk as stated in the Statement of Resolution of the Extraordinary General Meeting of Shareholders is contained in Deed Number 62 dated 15 June 2023 made by Jose Dima Satria SH., M.Kn., Notary Public in Jakarta whose notification was received as per the Decree of the Minister of Law and Human Rights of RI Number AHU.AH.01.09.0130619 Date 22 June 2023 Regarding Receipt of Notification of Amendments to Company Data PT Bukit Asam Tbk.

Paying attention :
at

1. Asean Corporate Governance Scorecard
2. General Guidelines for Indonesian Corporate Governance (PUG-KI 2021).



DECIDES

- To determine :
- FIRST : Establishment of the Corporate Governance Policy of PT Bukit Asam Tbk as an Attachment to this Decree which is an inseparable part of this Decree.
- SECOND : With the determination and implementation of this Decree, the Joint Decree of the Board of Commissioners and Board of Directors Number 07/SK/PTBA-DEKOM/IX/2020 and Number 397/0100/2020 concerning Corporate Governance Policy of PT Bukit Asam Tbk with other regulations conflicting with this Decree, declared revoking and invalid.
- THIRD : Implementations of regulations/derivatives from the Corporate Governance Policy that do not conflict with this Decree remain in effect as long as they have not been adjusted and/or changed. With provisions for adjustments to the implementing regulations/derivatives of the Corporate Governance Policy, it can be regulated with the following provisions:
- a. Made in a joint decree by the Board of Commissioners and Directors; or
 - b. Made in a separate decree either in a decision of the Board of Commissioners or a decision of the



Board of Directors.

FOURTH : This decree is valid from the date of signing and will be corrected if there is any confusion.

Determined in : Jakarta

Date : 21 December 2023

Board of of Commissioners of
PT BUKIT ASAM Tbk
PRESIDENT COMMISSIONER

Directors of
PT BUKIT ASAM Tbk
PRESIDENT DIRECTOR

Signed,

IRWANDY ARIF

Signed and stamped,

ARSAL ISMAIL

The copies are submitted to:

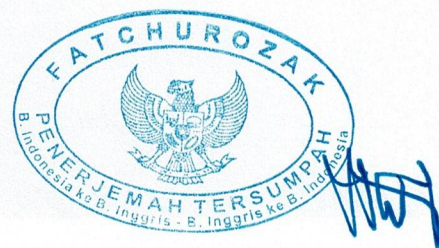
1. Director of PTBA
2. Board of Commissioners of PTBA





CORPORATE GOVERNANCE POLICY

Reference to implementation and decision-making in Bukit Asam



JOINT STATEMENT OF THE BOARD OF DIRECTORS AND BOARD OF
COMMISSIONERS OF PT BUKIT ASAM Tbk

With the support of the grace of God Almighty, on the day and date as mentioned below, the Corporate Governance Policy (CGP) of PT Bukit Asam Tbk ("the Company") was established which is the parent policy for all implementation and management activities in the Company and becomes reference in decision making. Thus, all regulations, policies, decisions, procedures and work procedures or other provisions in the Company ("Policies and Regulations") must refer to and be incorporated into this CGP.

The implementation of the GGP indicates that all policies and regulations in the Company will adhere to and contain universal principles of good corporate governance, namely referring to the principles of transparency, accountability, responsibility, independence and fairness.

This CGP was approved by all members of the Board of Commissioners and Directors of PT Bukit Asam Tbk; therefore, without written approval from the Directors and Board of Commissioners of PT Bukit Asam Tbk, it is not permitted to make amendments to the contents and provisions in this CGP of PT Bukit Asam Tbk.

Jakarta, 21 December 2023

Board of Commissioners

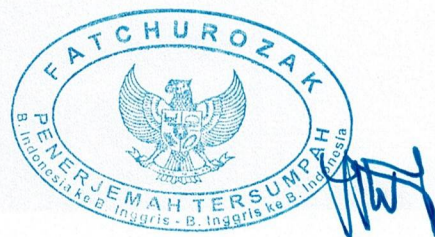
Directors

Signed,

Signed,

Irwandy Arif
President Commissioner

Arsal Ismail
President Director



Signed,

Andi Pahril Pawi
Independent Commissioner

Signed,

Kurnia Toha
Independent Commissioner

Signed,

Rahmat Hidayat Pulungan.
Independent Commissioner

Signed,

Carlo B. Wu
Commissioner

Signed,

E. Piterdono H.Z.
Commissioner

Signed,

Farida Thamrin
Director of Finance & Risk management

Signed,

Rafli Yandra
Director of Business Development

Signed,

Suhedi
Director of Operations and Production

Signed,

Suherman
Director of Human Resources



PRESIDENT DIRECTOR'S WELCOME

PT BUKIT ASAM Tbk

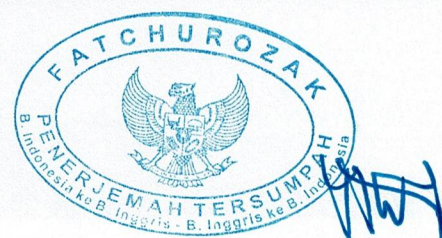
Assalamualaikum Wr. Wb

Dear the stakeholders;

PT Bukit Asam Tbk ("Company"), as a public company and also a company that is part of the State-Owned Enterprise (BUMN) holding the mining industry, application of good corporate governance (GCG) is not something new for the Company. PT Bukit Asam Tbk applies GCG principles to create balance between the Company, its shareholders and other stakeholders.

Since it was founded in 1981 and became a public company in 2002, and PT Bukit Asam Tbk incorporating the BUMN Mining Holding Group in 2017, the Company remains committed to making changes and breakthroughs in improving good corporate governance. The company always reviews the implementation of Corporate Governance Policy (CGP) periodically in accordance with the updating procedures stipulated in the CGP of PT Bukit Asam Tbk. The CGP itself is the parent document of all regulations, policies, decisions, management and work procedures or other provisions in the company ("Policies and Regulations"), so that, in its implementation, it refers to the principles of good corporate governance.

In addition to be a reference in the formulation and preparation of Policies and Regulations in the Company, CGP can be a reference for the Directors of PT Bukit Asam Tbk to carry out management functions in the Company as mandated by the Company's Articles of Association and applicable laws and regulations. The Board of Directors hopes that this GGP adjustment can become a basis for preparing policies



and regulations at PT Bukit Asam Tbk, thereby creating harmonization of regulations and derivative policies.

We hope that what has been stipulated in this CGP can be implemented well and with full responsibility and will become the basis for Company Policies and Regulations.

Jakarta, 21 December 2023.

Signed,

Arsal Ismail

President director



PRESIDENT COMMISSIONER'S WELCOME

PT BUKIT ASAM Tbk

Assalamualaikum Wr. Wb

Dear the stakeholders;

Application of good governance is a must for PT Bukit Asam Tbk ("Company") as a public company and a company that is part of the state-owned mining industry holding company. The Corporate Governance Policy (CGP) prepared by PT Bukit Asam Tbk is based on international best practices such as the ASEAN Corporate Governance Scored Card, applicable laws and regulations in the legal jurisdiction of the Republic of Indonesia as determined by the Minister of State-Owned Enterprises (BUMN) as Series-A Dwiwarna shareholder, regulations in the capital market sector, and regulations determined by the Self-Regulatory Organization where PT Bukit Asam Tbk's shares are listed, as well as referring to the Governance Guidelines determined by the National Governance Policy Committee (KNKG).

As is known, in accordance with the Limited Liability Company Law (UUPT) and the Company's Articles of Association, the Board of Directors in carrying out their management duties is obliged to devote all their thoughts to the best interests of the Company, which cannot be separated from the application of the principles of Business Judgment Rules (BJR). However, in accordance with the provisions of the Articles of Association and UUPT, the Board of Commissioners has a role in supervising the management duties of the Board of Directors. Corporate Governance Policy (CGP) and its derivative policies, including Corporate Management Policy, Standard Operating Procedures and Working Instructions, are part of the implementation duties of the Board of Directors and the supervisory function of the Board of Commissioners which are realized in the context of implementing Company



policies are good, orderly and harmonious, so that the management of the Board of Directors with the implementation of BJR can be covered as fully as possible in the CGP and its derivatives.

The Board of Commissioners is of the view that, with the CGP as a reference for derivative policies in the Company, it is hoped that decision making can be carried out more effectively, efficiently, prudently, prioritizing the principles of good corporate governance, risk management, and legal and compliance, thereby avoiding the potential for conflicts of interest and matters which are against the law or indicate collusion, corruption and nepotism (KKN).

Jakarta, 21 December 2023

Irwandy Arif

The President commissioner



CHAPTER 1

INTRODUCTION



A. BACKGROUND AND OBJECTIVES OF THE PREPARATION

1. COMPOSITION BACKGROUND

PT Bukit Asam Tbk ("Company") as a company operating in the energy sector based on coal mining has a very long history in the coal industry since the existence of the Dutch East Indies Colonial Government. The formation of the Company was based on the issuance of Government Regulation Number 42 of 1980 concerning State Capital Inclusion of the Republic of Indonesia for the Establishment of the Bukit Asam Coal Mining Company (Persero) on 2 March 1981, through this regulation, the Government of the Republic of Indonesia merged two companies, namely the Bukit Asam Charcoal Mining State Company in Tanjung Enim, South Sumatra with the General Coal Company in Ombilin, Sawahlunto. With the issuance and enactment of Government Regulation Number 42 of 1980, the Company became a limited liability company (Persero) with the name PT Tambang Batubara Bukit Asam (Persero). As time went, on 23 December 2002, the Company registered itself as a company registered on the Indonesia Stock Exchange, so that the Company's status changed into a public company with the name PT Bukit Asam (Persero) Tbk, which was later in 2017 with the enactment of Government Regulation Number 47/2017 concerning the addition of the capital of the Republic of Indonesia to the capital stocks of the Company (Persero) PT Indonesia Asahan Aluminum, the name of the company became PT Bukit Asam Tbk. Furthermore, in 2023, as a follow-up to Government Regulation Number 45 of 2022 concerning Reduction of State Capital Participation of the Republic of Indonesia in the Company (Persero) PT Indonesia Asahan Aluminum



and Government Regulation Number 46 of 2022 concerning the Establishment of a Company (Persero) in the Mining Sector, The Republic of Indonesia established PT Mineral Industri Indonesia (Persero)/MIND ID as a BUMN holding in the mining sector, where PT Bukit Asam Tbk is a company whose shares are owned by the State (as Series A Dwiwarna shareholder) and PT Mineral Industri Indonesia (Persero)/PT MIND ID (Persero) (as the largest holder of Series B shares as well as the recipient of the power of attorney for Dwiwarna Series A shareholders).

The Company's initial implementation of Good Corporate Governance (GCG) was based on the Company's need to continue to grow and develop and be sustainable. By listing the Company's shares on the Indonesian Stock Exchange in 2002, it became the basis for the Company to encourage GCG as an integrated system by "applying principles", including the principles of transparency and accountability, responsibility, independence, professional¹ and fairness as well as paying attention at good Company management based on the 4 (four) pillars of Corporate Governance principles, namely Ethical Behavior, Accountability, Transparency and Sustainable² as well as implementing management with a 3 (three) line risk governance model. In line with the listing of the Company, the Company has a responsibility to implement effective GCG in order to provide added value to the Company for the interests of its stakeholders.

The Company's GCG implementation journey began with the creation of a framework and implementation of GCG infrastructure preparation in 2004-

¹ Governance Agreement and MIND ID Group Interaction Guidelines dated 5 July 2023 between PT Mineral Industri Indonesia (Persero) and PT Aneka Tambang Tbk, PT Bukit Asam Tbk, PT Timah Tbk, PT Indonesia Asahan Aluminium, PT Indonesia Papua Metal and Mineral, MIND ID Trading PTE Ltd.



2005 which was then followed up with the Company's GCG soft structure consisting of PT Bukit Asam (Persero) Tbk's Good Corporate Governance Guidelines (Good Corporate Governance Code/GCG Code²), Board Manual, Code of Conduct and other GCG Soft Structures.

As time goes, laws and regulations and GCG standards develop and change, the Company continues to improve itself in implementing GCG. In this regard, the Company intends to update the GCG Code in the Company's Corporate Governance Policy (Corporate Governance Policy) PT Bukit Asam Tbk ("CGP") which refers to:

- a. Legislation in the legal jurisdiction of the Republic of Indonesia including the Implementation of Public Company Governance as determined by the Financial Services Authority;
- b. General Guidelines for Indonesian GCG established by the National Governance Policy Committee;
- c. Implementation of Good Corporate Governance in BUMN;
- d. ASEAN Good Governance Scorecard established by the ASEAN Capital Markets Forum ("ACGS").
- e. Governance provisions are regulated and determined by PT Mineral Industri Indonesia (Persero) as the holder of Series A Shareholder Proxy (Power of Attorney). It is hoped that the CGP can become a reference for the formation and preparation of derivative policies and as media for decision making, guidance for supervision and control of the Company.

2. PURPOSE OF PREPARATION

² PUG-KI KNKG 2021 Chapter 1



This CGP document was prepared with the purpose of improving the previous CGP document which functions as a reference and master policy guideline in the Company. In this way, all regulations, policies or decisions determined by the Company must refer to the CGP as the basic standards and guidelines for their formation and implementation.

B. SOFT STRUCTURE PT BUKIT ASAM Tbk

Hierarchically, the soft structure within the Company is as follows:

a. Legislation

Legislative regulations are a set of rules, policies and/or determinations issued by authorized bodies including the government of the Republic of Indonesia, ministries, institutions, departments, authorities in the legal jurisdiction of the Republic of Indonesia.

b. Company's Articles of Association

The Company's Articles of Association are the Company's internal regulations which are the formal basis for internal approval or agreement.

The Company's Articles of Association contain matters including:

- 1) Name and domicile;
- 2) Period of establishment of the Company;
- 3) Purposes and objectives and business activities;
- 4) Capital, shares, share certificates, and replacement of share certificates;
- 5) Collective custody, shareholder register and special register, and transfer of rights to shares;
- 6) Directors including procedures for appointment and lay-off (dismissal), duties, authority and obligations of Directors, and Board of Directors meetings;



- 7) Board of Commissioners including procedures for appointment and dismissal, duties, authority and obligations of the Board of Commissioners, and meetings of the Board of Commissioners;
- 8) Annual Work Plan and Budget;
- 9) Financial Year and Annual Report and reporting;
- 10) General Meeting of Shareholders (GMS) and procedures for its implementation;
- 11) Other provisions.

c. Resolution of the General Meeting of Shareholders (GMS)

It contains matters that need to be approved by Shareholders in the General Meeting of Shareholders forum as regulated under the Company's Articles of Association and applicable laws and regulations.

d. MIND ID Strategic Governance Guidelines

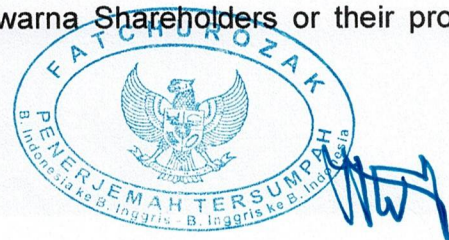
It contains provisions for the Company as a member of MIND ID in implementing good corporate governance in the mining industry.

e. Joint Resolution of the Board of Commissioners and Directors

It contains matters decided through meetings and/or jointly signed by The Board of Commissioners and Directors.

f. Resolution of the Board of Commissioners

It contains matters that need to obtain approval from the Board of Commissioners in carrying out the supervisory function and providing advice to the Board of Directors in accordance with the authority determined in the Articles of Association and applicable laws and regulations, as well as approval from the Board of Commissioners after being approved by the Series A Dwiwarna Shareholders or their proxies



and other fundamental matters for the purposes of carrying out the duties of the Board of Commissioners.

g. Directors' Decisions/Management Policies (Management Policy)

It contains matters within the authority of the Board of Directors in managing the Company as regulated in the Articles of Association and applicable laws and regulations, as outlined in a Board of Directors Resolution or adopted at a Board of Directors meeting. The resolution may contain regulations (*regeling*) or stipulations (*beschikking*) which are outlined in the Decree and/or minutes of the Board of Directors' meetings included in this case, namely Guidance.

h. Resolution of Board of Directors Members in Implementing the Division of Duties, Authority and Responsibilities

It contains matters which may be in the form of arrangements or determinations for carrying out the duties, authority and responsibilities of each member of the Board of Directors as per the resolution of the Board of Directors which regulates the division of authority of members of the Board of Directors, including Standard Operation Procedures (SOP)/Administration Procedures (TL).

i. Directors' Circular Letter

It is a form of Company's official letter which contains messages or news for the purpose of being known, carried out by Company personnel, in accordance with its purposes and objectives.

j. Decision of the Head of Work Unit



It is an internal official memorandum or other form that regulates matters necessary for the implementation of duties in the work unit under the Head of the Work Unit which determines the decision in question.

C. POLICY HIERARCHY

a. Corporate Governance Policy (“CGP”)

It contains guidelines for implementing good corporate governance (GCG) determined by the Board of Commissioners and Directors.

b. Code of Conduct

It contains behavioral guidelines which include business ethics and work ethics that apply in the Company.

c. Charter

It is a work guideline (charter) which consists of the Board of Directors Work Guideline (Charter of the Board of Directors), the Board of Commissioners Work Guideline (Charter of the Board of Commissioners), and the Board of Commissioners Supporting Organ Work Guideline (Charter), Risk Management Charter, Charter Corporate Secretary, and SPI Charter.

d. Implementation Policy

It is a guideline for the implementation of Series A Dwiwarna Power of Attorney Rights which is used as a reference in preparing Management Policy.

e. Management Policy/Guidance

It contains guidelines/guidelines or rules established by the Board of Directors for the implementation of the Company's operational activities which are an inseparable part of the Board of Directors' decisions, including



(i) Cooperation Guidelines, (ii) Risk Management Guidelines, (iii) Goods and Services Procurement Guidelines, (iv) Whistle Blowing System (WBS), and (v) Guidelines for Gratification Control and Anti-Corruption and others.

f. Procedure/TL (Standard Operating Procedure)

It contains a description of a series of standard and detailed activity steps that describe the stages of a work process, responsible personnel, and documents used. Procedures or commonly called Standard Operating Procedures (SOP) are the Second Level documents of the Company's Documentation Structure to follow up on the policies contained in the Guidelines.

g. Work Procedures/TCK (Work Instruction)

It contains a description of standard and detailed steps regarding an activity that is individual work. TCK is a Third Level document of the Company Documentation Structure to clarify the implementation of Governance.

D. UPDATING AND VALIDITY

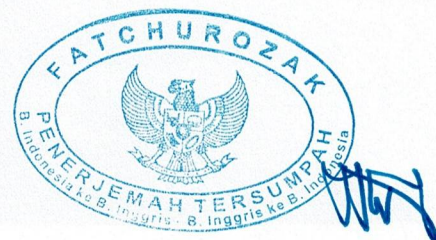
1. Ratification and updating of the CGP is only valid and binding if prior approval has been obtained from the Board of Commissioners, which is stated in the form of a joint resolution of the Board of Commissioners and Directors.

Updates are based on changes/updates to statutory regulations, Articles of Association, GMS Resolutions, Strategic Guidelines stipulated by the Proxy of Series A Dwiwarna Shareholders (PT Mineral Industri Indonesia (Persero)) and other decisions of the same level ("Provisions Related to GCG "). In the event that there are changes to the statutory regulations



including the provisions stipulated by the Series A Dwiwarna Shareholders/their Proxies, then without making changes to this CGP, these provisions can automatically apply and become an integrated and inseparable part of this CGP.

2. Ratification and updating of the Code of Conduct is based on the resolution of the Board of Directors and Board of Commissioners.
3. Ratification and updating of charters are signed depending on the type of charter; if the charter is a charter supporting the Board of Commissioners, then it is signed by the Board of Commissioners; but, if the charter is a charter supporting the Board of Directors, then it is signed by the Board of Directors, with the provisions regarding certain charters that signed, prepared/made by the Board of Directors in accordance with the provisions of the Company's Articles of Association and applicable laws and regulations that need to be approved/acknowledged by the Board of Commissioners.
4. Ratification of Board of Directors decisions that are strategic in nature, cross-directorate and deemed necessary to be approved by the Board of Directors, is carried out by all members of the Board of Directors giving approval to the decision to be ratified and signed by the President Director on behalf of the Board of Directors.
5. Ratification of decisions of members of the Board of Directors regarding the implementation of duties, authority and responsibilities in accordance with the division of duties of each Member of the Board of Directors is carried out by signing it by the relevant Member of the Board of Directors and can



be communicated to other Members of the Board of Directors through a Board of Directors Meeting.

6. Ratification and updating of the TL is carried out by being signed by all relevant officials and ratified by the Member of the Board of Directors developing the Work Unit that created the TL in question.
7. Ratification and updating of the TCK is based on the decision of the Head of the Work Unit that created the TCK.

E. RESPONSIBLE PERSON FOR GCG IMPLEMENTATION

1. Functions related to Good Corporate Governance (GCG) and the GCG Committee (which is a combination of several work units which will be further determined by the Board of Directors) appointed by the Board of Directors based on the Board of Directors' Decree.
2. CGP updates are carried out periodically according to the Company's needs. The Head of the Work Unit in charge of the Good Corporate Governance (GCG) function is responsible for requests for suggestions and requests for changes and updates to existing written guidelines as well as socializing these updates to all Company employees.



BAB II

GUIDELINES FOR GOOD COMPANY GOVERNANCE



A. GCG POLICY

PT Bukit Asam Tbk realizes that implementing GCG systematically and consistently is a necessity that must be implemented. It is hoped that the implementation of GCG in the Company will be able to spur business development and accountability and realize shareholder value in the long term without ignoring the interests of other stakeholders.

To improve performance and compliance with the implementation of GCG principles, the Company has prepared GCG Guidelines which are applied consistently so that all values owned by parties with an interest in the Company (Stakeholders) can be utilized optimally and produce a mutually beneficial economic relationship pattern. CGP is the crystallization of GCG principles, applicable laws and regulations, adopted cultural values, vision and mission as well as GCG best practices. The CGP that has been prepared becomes a reference for Shareholders, Board of Commissioners, Directors, Employees as well as a reference for other Stakeholders in dealing with the Company.

The CGP contains company management principles which, in their implementation, are followed by various policies and technical regulations according to the Company's needs.

Considering the dynamic and developing business environment, the CGP prepared by the Company is always adjusted to existing internal and external conditions. Continuous reviews are always carried out in an effort to achieve the best work standards for the Company.

B. PURPOSE

The application of GCG to the Company has purposes to:



1. Control and direct the relationship between Shareholders, Board of Commissioners, Directors, Employees, Customers, Work Partners, as well as the Community and the environment.
2. Encourage and support the development of the Company.
3. Manage resources more reliably.
4. Manage risks better.
5. Increase accountability to Stakeholders.
6. Prevent irregularities in the management of the Company.
7. Improve the Company's work culture.
8. Improve the Company's image (image) for the better.

C. Objectives

The application of GCG to the Company has several objectives as follows:

1. Implementation of a reliable strategic management system, so that the vision, mission and goals and objectives can be formulated in line with the Company's strategic plans, both short and long term.
2. There is openness and two-way communication with Regulators, Market Players and Company Stakeholders.
3. The functioning of the Audit Committee and other Committees (including Committees whose functions include Business Risk Monitoring, Integrated Governance, and Nomination and Remuneration) under the Board of Commissioners, as well as the Internal Audit Unit (SPI), Risk Management, Corporate Secretary, and Other functions under the Board of Directors.
4. Implementation of ethical business operations.
5. Availability of human resources who have superior talent, are professional and free from all conflicts of interest.



6. Ensuring that all levels of the Company know and are able to carry out their duties, obligations and responsibilities in accordance with applicable regulations.
7. There is concern for the local community and stakeholders and environmental sustainability.

D. REFERENCE TO GUIDANCE

The preparation of this CGP refers to the provisions of laws and regulations in the legal jurisdiction of the Republic of Indonesia and other provisions deemed relevant, including:

1. Regulations in the field of limited liability companies include Law Number 40 of 2007 concerning Limited Liability Companies along with its amendments and implementing regulations of this law.
2. Regulations in the capital market sector include Law Number 8 of 1995 along with its amendments and implementing regulations for this law which are stipulated by the government, authorities in the capital market, and the Self-Regulatory Organization (SRO).
3. Regulations in the BUMN sector include Law Number 19 of 2003 concerning State-Owned Enterprises along with its amendments and implementing regulations of this law, especially regulations of the Minister of BUMN which have been confirmed at the Company's GMS/adopted directly by the Company's Directors such as Minister of BUMN Regulation Number PER-1/MBU/03/2023 concerning Special Assignments and Corporate Social and Environmental Responsibility Programs State-Owned Enterprises, Regulation of the Minister of BUMN Number PER-2/MBU/03/2023 concerning Guidelines for Governance and Significant



Corporate Activities of State-Owned Enterprises; and Regulation of the Minister of BUMN Number PER-3/MBU/03/2023 concerning Organs and Human Resources of State-Owned Enterprises.

4. Legislation in other sectors that apply to the Company, especially in the field of energy and mineral resources in the jurisdiction of the Republic of Indonesia.
5. The Company's Articles of Association which is a policy manual for the Company which is approved by shareholders at the GMS and ratified/notified to the Minister of Law and Human Rights.
6. The provisions stipulated by the Minister of BUMN and MIND ID as the attorney for Series A Shareholders include the Company Threshold which is contained in the Letter of the Minister of BUMN Number S-581/MBU/09/2018 ("Company Threshold"), the Power of Attorney of the Minister of BUMN for the implementation of the holder's rights series A Dwiwarna shares in the Company as stated in the Special Power of Attorney Number SKK-19/MBU/03/2023 dated 21 March 2023 ("SKK MIND"), and the Governance Agreement and MIND ID Group Interaction Guidelines ("Governance Agreement") and Strategic Guidelines established by MIND ID including future changes.
7. Other provisions stipulated by the private regulatory body adopted by the Company include (i) ASEAN Corporate Governance Scorecard, and (i) General Guidelines for Indonesian Corporate Governance stipulated by the National Governance Policy Committee.

E. SCOPE OF THE GUIDELINES

The scope regulated in this Guideline includes:



1. Principles of Good Corporate Governance
2. Relationship between the Company and Shareholders;
3. Functions and roles of the Board of Commissioners;
4. Functions and roles of the Board of Directors;
5. Relationship with the Company and the Parent Company as the holding company and Power of Attorney for Series A Shareholders;
6. Relationship between the Company and Subsidiary entities (whether controlled directly or indirectly), Affiliated Companies including joint venture companies and associated entities;
7. Basic policy principles in the Company.

F. Glossaries

1. Members of the Board of Commissioners are members of the Board of Commissioners who refer to individuals (not the Board).
2. Members of the Board of Directors are members of the Board of Directors who refer to individuals (not the Board).
3. External Auditors are Public Accountants, namely those appointed by the General Meeting of Shareholders (GMS) to examine the financial reports of Companies that have obtained permission to provide services as regulated in the law concerning Public Accountants.
4. Internal Auditor is an Internal Audit Unit within the Company whose task is to carry out audits and ensure that the Company's internal control system can run effectively.
5. Conflict of interest is a difference between the Company's economic interests and the personal economic interests of members of the Board of



Directors, Board of Commissioners, and/or shareholders which could be detrimental to the Company.

6. The Board of Commissioners is the entire Board of Commissioners who act as a single Board.
7. The Board of Directors is the entire Board of Directors acting as a single Board.
8. Management is the Board of Directors and Officials 1 (one) level below Directors who assist in managing the Company.
9. The Company's ranks are all members of the Board of Commissioners, members of the Board of Directors and employees of the Company.
10. Public Accounting Firm is a business entity that is established based on the provisions of statutory regulations and obtains a business license as intended in the Law concerning Public Accountants appointed by the Company's GMS.
11. Policies are rules for all implementation of management of Company activities as well as a means to encourage initiative for Company Organs and Officials One Level below the Board of Directors in making operational decisions for the Company, with the limits of authority that have been established.
12. The Power of Attorney for Series A Dwiwarna Shareholders is PT Mineral Industri Indonesia (Persero) ("Mining Industry Indonesia (MIND ID)") as the largest holder of Series B shares in the Company and as the recipient of the power of attorney from the Series A Dwiwarna Shareholders based on the Minister's special power of attorney State-Owned Enterprise Number: SKK-19/MBU/03/2023 and its amendments



13. Independent Commissioner is a member of the Company's Board of Commissioners who meets the independence criteria in accordance with applicable regulations and the person concerned is appointed by the GMS as an Independent Commissioner.
14. The Audit Committee is a committee formed by the Board of Commissioners in order to assist the implementation of the duties and functions of the Board of Commissioners to encourage the implementation of good corporate governance, the establishment of an adequate internal control structure, improving the quality of financial disclosure and reporting, as well as reviewing the scope, accuracy, independence and objectivity of Public Accountants.
15. The Nomination and Remuneration Committee is a committee formed by and responsible to the Board of Commissioners to assist in carrying out the functions and duties of the Board of Commissioners regarding Nomination and Remuneration for Members of the Board of Directors and Members of the Board of Commissioners.
16. The Risk Monitoring Committee is a committee formed and responsible to the Board of Commissioners, as required by the Company in accordance with the provisions of regulations in the BUMN sector which has the function of Integrated Risk Management and Governance
17. The Information Technology Steering Committee is a Committee formed by the Board of Directors and is responsible to the Board of Directors in assisting the Board of Directors in their tasks related to information technology.



18. The Social and Environmental Responsibility Committee (TJSL) is a committee formed by the Board of Directors and is responsible to the Board of Directors in assisting the Board of Directors in their duties related to TJSL
19. The Company's organs are the GMS, Board of Commissioners and Directors.
20. The Financial Services Authority, hereinafter referred to as OJK, is an independent institution as intended in Law of the Republic of Indonesia Number 21 of 2011 concerning the Financial Services Authority.
21. Stakeholders are any parties related either directly or indirectly to the Company's operational activities.
22. The Dwiwarna Series A Shareholder is the Government of the Republic of Indonesia, represented in this case by the Minister of State-Owned Enterprises.
23. Company Employees, hereinafter referred to as Employees, are workers who have fulfilled the specified requirements and have been appointed as Permanent Employees by Company Decree and are given Rights and Obligations according to the provisions in force at the Company.
24. Regulations are legal products that contain provisions that are regulatory in nature and have legal consequences, which are used to ensure that every decision, action and/or other legal act is implemented to achieve the Company's objectives.
25. The Company or Company is PT Bukit Asam Tbk.
26. The General Meeting of Shareholders (GMS) is a Company organ that has authority that is not granted to the Board of Commissioners or Directors



within the limits specified in Law of the Republic of Indonesia Number 40 of 2007 and/or the Company's Articles of Association.

27. Internal Audit Unit, hereinafter abbreviated to SPI, is a work unit within the Company's organization that carries out the Internal Audit function and is chaired by the head of SPI
28. Secretary to the Board of Commissioners is an official appointed by the Board of Commissioners, whose task is to carry out administrative and secretarial duties relating to all activities of the Board of Commissioners.
29. The Corporate Secretary is a structural function unit within the Company's organization whose task is to provide support to the Board of Directors in carrying out their duties.
30. Good Corporate Governance is a company management procedure that applies the principles of transparency, accountability, independence and fairness.

G. GCG PRINCIPLES

The application of the principles of Good Corporate Governance as the basis for implementation in the Company is as follows:

1. Transparency, namely openness in carrying out the decision-making process and openness in disclosing material and relevant information about the company;
2. Accountability, namely clarity of function, implementation and accountability of Company Organs so that company management is carried out effectively;
3. Responsibility, namely conformity in company management to the provisions of laws and regulations and healthy corporate principles;



4. Independence, namely a situation where the company is managed professionally without Conflicts of Interest and influence/pressure from any party that is not in accordance with the provisions of laws and regulations and healthy corporate principles; and
5. Fairness, namely fairness and equality in fulfilling stakeholder rights arising based on agreements and statutory provisions.

In addition, the Company adopted the General Guidelines for Indonesian Corporate Governance (PUGKI) published by the National Committee for Governance Policy (KNKG) in 2021 as the governance standards applicable in Indonesia.

The principles of PUGKI governance are as follows:

1. Roles and responsibilities of the Board of Directors and Board of Commissioners

Principle 1 relates to the role and responsibilities of the Board of Directors in managing the Company as well as the role and responsibilities of the Board of Commissioners in supervising the management of the Company by the Directors. In addition, this Principle regulates the performance assessment of the Board of Directors and Board of Commissioners and their respective members, handling conflicts of interest that occur among members of the Board of Directors and Members of the Board of Commissioners as well as increasing the competence of Members of the Board of Directors and Members of the Board of Commissioners.

2. Composition and Remuneration of the Board of Directors and Board of Commissioners



Principle 2 requires that the selection and appointment of members of the Board of Directors and Members of the Board of Commissioners be carried out in such a way that the Board of Directors and Board of Commissioners, as management and supervisory organs, respectively, have a composition of members with the knowledge, abilities and expertise required in accordance with their respective roles. In addition, this Principle emphasizes the importance of remuneration policies to encourage members of the Board of Directors and Members of the Board of Commissioners to prioritize the long-term interests of the Company based on sustainability principles, and requires disclosure of remuneration policies and information received by the Board of Directors and Board of Commissioners in a transparent and accountable manner.

3. Working Relationship between the Board of Directors and the Board of Commissioners

Principle 3 emphasizes the importance of a close, open, constructive, professional, mutually trusting working relationship between the Board of Directors and the Board of Commissioners in achieving the best interests of the Company. Principle 3 also regulates the need for the Board of Commissioners to access complete information and the importance of members of the Board of Directors and Board of Commissioners understanding the implications of the Company's ownership structure for the implementation of their roles.

4. Ethical Behavior



Principle 4 requires the Company to make periodic statements regarding the Company's commitment not only to comply with applicable laws and regulations, but also a commitment to act ethically and responsibly.

5. Risk Management, Internal Control and Compliance

Principle 5 requires the Board of Directors to implement governance, internal control and risk management systems, and compliance management systems in an integrated manner as part of the strategy, management tools and practices carried out by the Company in doing responsible business as good corporate citizens. corporate citizenship). The Board of Commissioners monitors and provides input on the effectiveness of the implementation of governance, internal control and risk management systems, and the Company's compliance management system which are implemented in an integrated manner by the Board of Directors.

6. Disclosure and Transparency

Principle 6 requires the Company to have a governance framework that is capable of providing confidence that can produce accurate and timely disclosures regarding all material matters concerning the Company, which includes financial condition and performance, ownership of the Company, and Company governance.

7. Rights of Shareholders

Principle 7 explains the fulfillment of shareholder rights and fair treatment for shareholders, how active cooperation between the Company and its shareholders is carried out as well as the effective implementation of some shareholder rights through the GMS.



8. Rights of Stakeholders

Principle 8 explains the role of the Board of Directors and Board of Commissioners in integrating sustainability aspects into the Company's business model, carrying out stakeholder engagement, and ensuring the protection of the rights of stakeholders. The Board of Commissioners monitors integration of all aspects mentioned above carried out by the Board of Directors.



CHAPTER III

VISION, MISSION & CULTURE OF COMPANY



A. VISION AND MISSION

1. Company Vision

To become a world-class energy company that cares for the environment.

2. Company Mission

To manage energy sources by developing corporate competence and human excellence to provide maximum added value to stakeholders and the environment.

B. CORPORATE CULTURE

The Company has a corporate culture which is the values and norms of behavior that must be adhered to and implemented in the daily work implementation by all levels of the Company.

The Company has the values contained in the Company's culture which is better known as "AKHLAK" which is the embodiment of the core values of the Dwiwarna A series shareholders (Ministry of BUMN) which consists of:

1. Trust, which means holding firmly to the trust given.
2. Competent, which means continuing to learn and develop capabilities.
3. Harmony, which means caring for each other and respecting differences.
4. Loyal, which means being dedicated and prioritizing the interests of the nation and state.
5. Adaptive, which means continuing to innovate and be enthusiastic in driving or facing change;
6. Collaborative, which means building synergistic cooperation.

These AKHLAK values are also revealed in The Noble Purpose MIND ID in the packaging "We Explore Natural Resources for Civilization, Prosperity and a Brighter Future". The Noble Purpose is the basis for the Company's staff in



carrying out their daily work which is manifested in three key behaviors, namely:

1. Agile, which means always being open, flexible and able to adapt to new challenges, where these challenges become a tool for Company People to continue to innovate, think creatively and move forward.
2. Going Extra Miles, which means the enthusiasm to work smart and strive for real work results that meet targets or even exceed targets for the benefit of the Company.
3. Accountable, which means ensuring that the actions taken must be accountable to the applicable regulation and in accordance with valid statutory regulations.



CHAPTER IV

GOVERNANCE STRUCTURE



A. GENERAL MEETING OF SHAREHOLDERS (GMS)

The GMS is a Company Organ having authority that is not granted to the Board of Commissioners and Directors, in accordance with applicable laws and regulations and/or the Company's Articles of Association. The GMS is a forum for Shareholders to exercise their authority in accordance with applicable laws and regulations.

In terms of type, GMS can be divided into 2 (two), namely:

1. Annual GMS

It is guided by the provisions of the Company's Articles of Association, UUPT and Capital Market Regulations, the Company's annual GMS must be held no later than 6 (six) months after the financial year ends or another time determined by the capital markets authority (Financial Services Authority/OJK).

At the Annual GMS, matters relating to the submission of the audited Annual Report are presented, including the submission of reports on the management of the Board of Directors and supervision of the Board of Commissioners, including ratification of the Company's Annual Financial Report, accountability reports for Social and Environmental Responsibility programs, income (salary and honorarium) , and other facilities for the Board of Directors and Board of Commissioners for the current year, determination of performance bonuses/incentives for the Board of Directors and Board of Commissioners for the previous financial year, determination of the use of net profit (if the Company records a positive profit balance), appointment of Public and Office Accountants Public Accountant who will



audit the Company's financial statements for the current financial year, and other agenda as deemed necessary.

2. Other GMS

Other GMS can be held at any time based on needs for the interests of the Company. Other GMS or known as Extraordinary GMS (EGMS).

Based on provisions in the capital market sector, provisions of applicable laws and regulations and the Company's Articles of Association, the GMS is convened by the Company's Directors. In addition, a GMS can be held at the request of the Board of Commissioners, Series A Dwiwarna Shareholders, or one or more Shareholders who either individually or jointly represent 1/10 (one tenth) or more of the total number of shares issued by the Company with valid voting rights can request a GMS to be held in accordance with the provisions of the Company's Articles of Association and applicable laws and regulations.

1. Basic Guidelines for Implementation

a. GMS decision making must be carried out fairly and transparently by taking into account matters necessary to safeguard the Company's business interests in the long term, including but not limited to:

- 1) Members of the Board of Commissioners and Directors appointed at the GMS must consist of people who are fit and proper for the Company taking into account the provisions of the Articles of Association and applicable laws and regulations.
- 2) When making a decision to accept or reject a report from the Board of Commissioners and Directors, it is necessary to consider the quality of the report relating to GCG.



- 3) Determination of an External Auditor/Public Accounting Firm/Public Accountant registered with the Financial Services Authority (OJK) as proposed by the Board of Commissioners by considering the opinion of the Audit Committee and still paying attention to the provisions of the Company's Articles of Association and applicable laws and regulations.
 - 4) In the event that the Articles of Association or statutory regulations require a GMS decision on matters relating to the Company's business, the decision taken must take into account the reasonable interests of the Company's stakeholders and Shareholders.
- b. The GMS must be held in accordance with the Company's interests and taking into account the Company's Articles of Association and applicable laws and regulations, as well as with adequate preparation, so that valid decisions can be made. Therefore:
- 1) Shareholders are given the opportunity to submit proposals for the GMS agenda in accordance with the provisions of the Company's Articles of Association and statutory regulations.
 - 2) The invitation to the GMS must include information regarding the agenda, date, time and place of the GMS and other matters required by the Articles of Association and applicable laws and regulations.
 - 3) Materials regarding each agenda item listed in the GMS invitation must be available at the Company's office and/or the Company's website from the date of the GMS invitation, thereby enabling Shareholders to actively participate in the GMS and vote responsibly. If these materials are not yet available when the GMS



invitations is made, then the materials must be provided before the GMS is held.

- 4) Explanations regarding other matters relating to the GMS agenda can be provided before and/or during the GMS taking place by taking into account the provisions of the Company's Articles of Association and applicable laws and regulations.
 - 5) The minutes of the GMS must be available at the Company's office, and the Company provides facilities so that Shareholders can read/view the minutes. Provided that the Summary of the GMS Minutes is published on the Company's website, the Indonesian Stock Exchange Website, and the E-GMS holding website (eASY.KSEI).
- c. Organizing the GMS is the responsibility of the Board of Directors, for this reason the Board of Directors must prepare and hold the GMS properly, guided by the provisions of the Company's Articles of Association, statutory regulations and other provisions that apply to the Company.
2. Organizing the GMS
- a. The GMS is held by the Board of Directors properly, orderly and on time, unless there are other conditions as determined by the Company's Articles of Association and applicable laws and regulations.
 - b. The Board of Directors submits notification of the GMS agenda to the OJK no later than 5 (five) working days before the GMS announcement, without taking into account the date of the GMS announcement, accompanied by the completeness of the GMS agenda. In the event



that there is a change to the GMS agenda, it must be submitted by the Company no later than the time of the invitation for the GMS.

- c. The Board of Directors is obliged to make an announcement of the GMS (Announcement of General Meeting of Shareholders (GMS)) to Shareholders no later than 14 (fourteen) days before the date of the invitation to the GMS, without taking into account the date of the announcement and the date of the invitation. The announcement contains the date of Shareholders who are entitled to attend, the conditions for Shareholders who are entitled to propose agenda items, the date of implementation, and the date of the invitations. Announcements must be submitted on the stock exchange website, and the Company's website, and the website of the E-GMS organizer (EASY.KSEI). Proof of the announcement must be submitted to the OJK no later than 2 (two) working days from the date of the announcement.
- d. The Board of Directors is obliged to issue an invitation to the GMS (Invitation of GMS) to Shareholders no later than 21 (twenty one days) before the date of the GMS, without taking into account the date of the invitation and the date of the GMS. The invitation must be submitted on the stock exchange website, and the Company's website, and the website of the E-GMS organizer (eASY.KSEI). Proof of the invitations must be submitted to the OJK no later than 2 (two) working days from the date of the invitations.
- e. The provisions for invitation of the 2nd (second) and 3rd (third) GMS are carried out in accordance with the provisions of the Company's Articles of Association and applicable laws and regulations.



- f. Meeting agenda materials must be available from the date of the invitation until the GMS is held.
 - g. For GMS orderliness, the Board of Directors is obliged to create GMS rules of conduct which are submitted to the Shareholders.
 - h. The GMS is chaired by members of the Board of Commissioners appointed by the Board of Commissioners.
 - i. Each Shareholder has the right to express opinions, suggestions, questions and approval on each meeting agenda.
 - j. The Board of Directors is obliged to prepare a summary of the minutes of the GMS to be submitted to the public and reported to the OJK no later than 2 (two) working days after the date of the GMS. Publication of a summary of the GMS minutes must be submitted on the stock exchange website, and the Company's website, and the website of the E-GMS organizer (eASY.KSEI). In the summary of the minutes of the GMS, if there is an agenda for sharing dividends, the Board of Directors is obliged to make procedures and schedule for sharing dividends.
 - k. The Board of Directors is obliged to prepare Minutes of the GMS which are submitted to the OJK no later than 30 (thirty) days after the date of the GMS.
3. Rights and Responsibilities of Shareholders
- Shareholders as Capital Owners have rights and responsibilities for the Company in accordance with the Company's Articles of Association and applicable laws and regulations. In carrying out its responsibilities, it is necessary to pay attention to the following principles:



- a. Shareholders must be aware that in exercising their rights and responsibilities they must also pay attention to the survival of the Company; and
- b. Shareholders implement Good Corporate Governance in accordance with their authority and responsibility.

The basic guidelines that serve as a reference to the rights and responsibilities of Shareholders are:

- a. The Company's Shareholders consist of Series A Dwiwarna Shareholders which are owned specifically by the Republic of Indonesia, the majority of Series B Shareholders are owned by MIND ID and Series B Shareholders are owned by the public. The rights of shareholders include:

- 1) Series A Dwiwarna Shareholders have special rights as regulated in the Company's Articles of Association. The implementation of the rights of Series A Dwiwarna Shareholders can be authorized to the Company's most Series B Shareholders except for the exercise of rights related to approval of changes in share ownership structure and approvals related to mergers, consolidation, separation and dissolution as well as takeovers of the Company by other companies. The Special Rights of Series A Dwiwarna Shareholders are detailed in this CGP in the section on the Company's Relationship with the Parent Company.
- 2) Except for the rights of Series A Dwiwarna Shareholders as in point 1) above, Series B Shareholders have the same rights in accordance



with the provisions of the Company's Articles of Association and applicable laws and regulations.

- 3) The right to cast votes or opinions regarding decisions that require approval from the GMS in accordance with the provisions of the Articles of Association and applicable laws and regulations.
- 4) The right to information, namely the right to information, including on the shareholder list, special list, GMS minutes and Annual Report.
- 5) The right to check, view, request and copy the list of shareholders, including updating incorrect information including adding required information by prior notification to the Board of Directors.
- 6) The right to dividend payments as a form of investment role in the Company.
- 7) The right to transfer shares while taking into account the Company's Articles of Association and applicable laws and regulations.
- 8) The right to subscribe for shares in advance according to their classification if the Company intends to issue new shares.
- 9) The right to request the Company to purchase its shares (buyback) at a reasonable price in the event of certain conditions determined by the Company's Articles of Association and applicable laws and regulations.
- 10) The right to request a GMS to be held with the terms and conditions stipulated in the Articles of Association and applicable laws and regulations.
- 11) The right to sue the Company in accordance with the provisions of applicable laws and regulations.



- 12) Rights to the Company's assets following the liquidation and/or settlement process of the Company.
- 13) Other rights as specified in the Articles of Association and/or applicable laws and regulations.
- b. Shareholders are aware of their responsibilities by taking into account the provisions of the Articles of Association and applicable laws and regulations. In implementing Controlling Shareholders, they must pay attention to the interests of Minority Shareholders and Stakeholders, as well as disclose the actual Controlling Shareholders (ultimate shareholders) in the event of a violation of statutory regulations as long as it is ordered by the competent institution/body/authority. In the event that a Shareholder becomes a Controlling Shareholder in several companies, efforts need to be made so that there is accountability and the relationship between the Companies can be carried out transparently.
- c. The Company guarantees the rights and authority of Shareholders on the basis of fairness based on the provisions of the Company's Articles of Association and applicable laws and regulations. The Company's responsibilities regarding the rights and authority of Shareholders are as follows:
- 1) The Company protects the rights of Shareholders based on the provisions of the Company's Articles of Association and applicable laws and regulations.



- 2) The Company creates and maintains a list of Shareholders and a special list in an orderly manner in accordance with the Company's Articles of Association and applicable laws and regulations.
- 3) The Company provides Company information in a timely, correct and regular manner to Shareholders, except matters of a confidential nature, taking into account the provisions of the Company's Articles of Association and applicable laws and regulations.
- 4) The Company provides equal treatment (fairness) in providing information presentation to Controlling and Minority Shareholders in accordance with the Company's Articles of Association and applicable laws and regulations.
- 5) The Company must provide a complete and accurate explanation regarding the holding of the GMS to all Shareholders.

B. BOARD OF COMMISSIONERS

The Board of Commissioners as one of the Company's organs is tasked and collectively responsible for supervising and providing advice to the Board of Directors and ensuring that the Company implements GCG. However, the Board of Commissioners may not participate in the operational decision making process. The position of each member of the Board of Commissioners, including the President Commissioner, is equal. The task of the President Commissioner as *primus inter pares* is to coordinate the activities of the Board of Commissioners. In order for the implementation of the duties of the Board of Commissioners to run effectively, the following principles need to be fulfilled:

1. The composition of the Board of Commissioners must enable effective, precise and fast decision making and be able to act independently.



2. Members of the Board of Commissioners must be professional, that is, have integrity and have the ability so that they can carry out their functions well, including ensuring that the Board of Directors pays attention to the interests of all stakeholders.
3. The function of supervising and providing advice to the Board of Commissioners includes preventive, corrective actions, up to the temporary dismissal of the Board of Directors.

Members of the Board of Commissioners are appointed and dismissed by the GMS from candidates proposed by Series A Dwiwarna Shareholders or Proxies of Series A Dwiwarna Shareholders through a nomination process in accordance with applicable laws and regulations and taking into account the requirements in the provisions applicable to limited liability companies, regulations in the BUMN sector, and applicable provisions in the Capital Market sector.

Basic Guidelines for Implementation

1. Composition, Appointment and Dismissal of the Board of Commissioners
 - a. The number of members of the Board of Commissioners is adjusted to the needs of the Company, consisting of at least 2 (two) people, one of whom is appointed as President Commissioner. Provided that the Board of Commissioners consists of Commissioners and Independent Commissioners in accordance with applicable laws and regulations. The Company's Board of Commissioners is an assembly and cannot act independently, but based on the decision of the Board of Commissioners.



- b. In order to increase the independence of the Board of Commissioners, at least 30% (thirty percent) of the total members of the Board of Commissioners are Independent Commissioners provided that these requirements can be developed to meet best practices set by international standards, including the ASEAN Corporate Governance Scorecard (ACGS), in accordance with regulations legislation in the Capital Market sector, namely that members of the Board of Commissioners come from parties who are not affiliated with the Controlling Shareholders or other members of the Board of Commissioners or members of the Board of Directors, and are free from business relationships or other relationships that could affect their ability to act independently or act solely eyes for the interests of the Company.
- c. Members of the Board of Commissioners are appointed and dismissed by the GMS from candidates proposed by Series A Dwiwarna Shareholders or Proxies of Series A Dwiwarna Shareholders through a nomination process in accordance with applicable laws and regulations and taking into account the conditions in the provisions that apply to limited liability companies and the provisions applicable in the Capital Market sector.
- d. The terms of office of members of the Board of Commissioners and the dismissal of members of the Board of Commissioners before the end of their term of office are determined by the GMS by referring to the Company's Articles of Association.
2. Ability and Integrity of Members of the Board of Commissioners



- a. Members of the Board of Commissioners must meet the requirements of ability and integrity so that the function of monitoring and providing advice in the interests of the Company can be carried out properly.
- b. Members of the Board of Commissioners are prohibited from using the Company for personal, family, business group or other parties' interests.
- c. Members of the Board of Commissioners must understand and comply with the Articles of Association and applicable laws and regulations relating to their duties.
- d. Members of the Board of Commissioners must understand and implement the GCG Guidelines and other provisions regulated in the Company.

3. Division of Tasks

The Board of Commissioners is an assembly and each member of the Board of Commissioners cannot act independently, but rather based on the decision of the Board of Commissioners. Provisions for the division of work among members of the Board of Commissioners are regulated in the Decree of the Board of Commissioners.

4. Supervisory Function of the Board of Commissioners

- a. The Board of Commissioners makes decisions regarding matters stipulated in the Company's Articles of Association and statutory regulations. Decision making is carried out within its function as Supervisor, so that decisions on operational activities remain the responsibility of the Board of Directors. The authority of the Board of Commissioners continues to be exercised throughout its function as supervisor and advisor.



- b. In carrying out their functions, members of the Board of Commissioners are good at jointly and/or individually have the right to have access to and obtain information about the Company in a timely and complete manner.
- c. The Board of Commissioners must have a Board of Commissioners Charter in accordance with the provisions of applicable laws and regulations.

5. Work Relations of the Board of Commissioners and Directors

The working relationship between the Board of Commissioners and the Board of Directors is a formal relationship with mutually determined mechanisms and accountable correspondence. This relationship is described in detail in each Charter.

6. Income

- a. The basic principle is that members of the Board of Commissioners are given an honorarium and facilities/allowances, including post-service insurance, the amount of which is determined by the GMS by taking into account the provisions of applicable laws and regulations, especially in the BUMN sector.
- b. Income for members of the Board of Commissioners is determined by the GMS and can be delegated to Series A Dwiwarna Shareholders/their proxies with prior review by the Board of Commissioners through in-depth research carried out by the Committee in under the Board of Commissioners in charge of remuneration.
- c. The Board of Commissioners (through the Committee in charge of remuneration) submits remuneration proposals for Directors and



Members of The amount for the Board of Commissioners will then be decided by the GMS and in the event that the GMS delegates its authority to the Board of Commissioners, the proposed remuneration will be determined at a meeting of the Board of Commissioners with the previous provisions being approved in writing by the Dwiwarna A series shareholders/their proxies.

- d. Income received by members of the Board of Commissioners (including share options if any) is included in the Company's Annual Report each year.

7. Supporting Organs of the Board of Commissioners

By paying attention to the provisions of the Company's Articles of Association and Regulations in the BUMN Sector, as well as Capital Market regulations, the Supporting Organs of the Board of Commissioners are as follows:

a. Secretariat of the Board of Commissioners

The Board of Commissioners can form a Secretariat for the Board of Commissioners headed by a Secretary to the Board of Commissioners who can be assisted by Secretariat Staff of the Board of Commissioners who are appointed and dismissed by the Board of Commissioners by taking into account the provisions of the company's Articles of Association and applicable laws and regulations.

b. Audit Committee

The Board of Commissioners is required to form an Audit Committee consisting of a Chairperson and Members, with the membership of the



Audit Committee consisting of elements from the Board of Commissioners and a maximum of 2 (two) members who are not Commissioners. The Chair of the Audit Committee comes from an Independent Commissioner and other members of the Audit Committee come from members of the Board of Commissioners or from outside the Company.

c. Risk Monitoring Committee

The Board of Commissioners is required to form a Risk Monitoring Committee as one of the main risk managers for managing risk management in the Company. Based on the letter for Determining Category and Risk Classification from MIND ID, the Company is categorized as an Individual Company with a Systemic Risk Classification of A Individual. Therefore, the function of Integrated Governance is carried out by the Risk Monitoring Committee. Membership of the Business Monitoring Committee consists of elements of the Board of Commissioners and a maximum of 2 (two) members who are not Commissioners. The Chairman of the Risk Monitoring Committee is chaired by an independent Commissioner/who can act independently provided that the other members of the Business Risk Monitoring Committee come from members of the Board of Commissioners or from outside the Company.

d. Nomination and Remuneration Committee

The Board of Commissioners is required to form a Nomination and Remuneration Committee which carries out succession functions and procedures/policies/studies related to the income of the Company's



Directors and/or Board of Commissioners. Membership of the Nomination and Remuneration Committee consists of elements of the Board of Commissioners and a maximum of 2 (two) members who are not Commissioners. The Chair of Nomination and Remuneration is chaired by an independent Commissioner provided that other members of the Nomination and Remuneration Committee come from members of the Board of Commissioners or from outside the Company.

- e. Further Arrangements for the Supporting Organs of the Board of Commissioners.

Further arrangements for the Supporting Organs of the Board of Commissioners will be regulated in each Supporting Organ for the Board of Commissioners.

8. Board of Commissioners Meeting

- a. All decisions of the Board of Commissioners are taken at Board of Commissioners meetings.
- b. The Board of Commissioners must hold a meeting at least 1 (one) time in 1 (one) month.
- c. The Board of Commissioners is obliged to hold regular meetings with the Board of Directors at least once every 4 (four) months.
- d. The Board of Commissioners may hold a meeting at any time at the request of 1 (one) or several members of the Board of Commissioners or Directors, stating the matters to be discussed.
- e. Invitations for meetings of the Board of Commissioners must be made by the President Commissioner. The invitations must be sent no later



than 5 (five) days before the meeting is held, without taking into account the date of the invitations and the date of the meeting or within a shorter time if in urgent circumstances.

- f. All Board of Commissioners Meetings are chaired by the President Commissioner, provided that in the event that the President Commissioner is absent or unable to attend, the Board of Commissioners Meetings are chaired by a Commissioner appointed by the President Commissioner, however, if no appointment is made, then the Board of Commissioners Meetings are chaired by the most qualified Commissioner, length of service (if there is more than one member of the Board of Commissioners who has the same term of office, then the member of the Board of Commissioners who is the oldest becomes chairman of the meeting).
- g. Decisions of Board of Commissioners Meeting must be made based on deliberation to reach consensus.
- h. The results of the meeting must be stated in the minutes of the meeting and must be documented by the Company. The minutes of the meeting as referred to in letter b, are signed by all Members of the Board of Commissioners who are present and in letter c, signed by all Members of the Board of Commissioners and Members of the Board of Directors who are present, except for matters based on the provisions of the Articles of Association and applicable laws and regulations considering there is a conflict of interest. Members of the Board of Commissioners/Directors who have the potential to have a conflict of



interest are not permitted to sign the Minutes of Meeting for meeting decisions that have the potential to contain a conflict of interest.

- i. The Board of Commissioners can also make valid decisions without holding a Board of Commissioners meeting provided that all Members of the Board of Commissioners have been notified in writing and all Members of the Board of Commissioners have given their approval regarding the proposal submitted in writing and signed the approval.
 - j. If there is a difference of opinion (dissenting opinion) to the Minutes of the Meeting, then the statement of dissenting opinion must be attached on a separate sheet to the Minutes of the Meeting.
9. Evaluation of the Performance of the Board of Commissioners

The Board of Commissioners is obliged to conduct an objective annual evaluation to determine the effectiveness of the Board of Commissioners, the Board of Commissioners Committees and each individual Board of Commissioners. Annual evaluations are based on benchmarks or assessment criteria that are specific, measurable, achievable and relevant. This evaluation was submitted by the Board of Commissioners to the GMS. In principle, the performance of the Board of Commissioners is evaluated by the GMS and/or Series A Dwiwarna Shareholders/their proxies by taking into account the provisions of the Company's Articles of Association and applicable laws and regulations. The results of the evaluation of the Board of Commissioners and their respective performance are the basis for Shareholders to dismiss or reappoint Members of the Board of Commissioners by taking into account the provisions of the Articles of Association and applicable laws and regulations.



In addition, the Board of Commissioners can also carry out self-assessments independently to carry out internal evaluations to measure the effectiveness of implementing the functions and duties of the Board of Commissioners. The Performance Evaluation of the Board of Commissioners is included in the Company's Annual Report.

10. Accountability of the Board of Commissioners

- a. The Board of Commissioners must immediately report to Series A Dwiwarna shareholders and/or their proxies if there are symptoms of declining Company performance and/or there are problems of an emergency and strategic nature, accompanied by suggestions regarding corrective steps that must be taken;
- b. In its function as supervisor, the Board of Commissioners submits a supervisory accountability report on the management of the Company by the Board of Directors. The Board of Commissioners' supervisory report is part of the annual report submitted to the GMS for approval.
- c. By granting approval to the annual report and ratification of the financial report, the GMS has granted full release and discharge of responsibilities (acquit et de charge) to the Members of the Board of Commissioners as long as these matters are reflected in the annual report, without reducing the responsibilities of each Member. The Board of Commissioners in the event of a criminal act or error and/or negligence which causes losses to other parties which cannot be covered with the Company's assets.



- d. The accountability of the Board of Commissioners to the GMS is a manifestation of accountability for the supervision and management of the Company in the context of implementing GCG principles.

C. BOARD OF DIRECTORS

The Board of Directors as a Company Organ is responsible and collegial in managing the Company. Each Member of the Board of Directors can carry out their duties and make decisions in accordance with the distribution of duties by each Member of the Board of Directors, which remains a shared responsibility. The position of each member of the Board of Directors, including the President Director, is equal. The task of the President Director as primus inter pares is to coordinate the activities of the Board of Directors. In order to carry out the duties of the Board of Directors effectively, the following principles need to be taken into account:

1. The composition of the Board of Directors must be such that it enables decision making effectively, consistently and quickly, as well as acting independently.
2. Directors must be professional, that is, have integrity and have the experience and skills necessary to carry out their duties.
3. The Board of Directors is responsible for managing the Company so that it can generate profits (profitability) and ensure the continuity of the Company's business.
4. The Board of Directors is accountable for its management at the GMS in accordance with applicable laws and regulations.

Basic Guidelines for Implementation

1. Composition, Appointment and lay-off of Directors



- a. The Company is managed and led by a Board of Directors whose number of members is adjusted to the needs of the Company with the provision of at least 2 (two) members of the Board of Directors, one of whom is appointed as President Director.
 - b. Members of the Board of Directors are appointed and dismissed by the GMS, from candidates proposed by the Series A Dwiwarna Shareholders or their proxies, provided that the GMS is attended and the resolutions of the GMS are approved by the Series A Dwiwarna Shareholders or their proxies taking into account the provisions of the Articles of Association and statutory regulations. applies.
 - c. The terms of office of members of the Board of Directors and the dismissal of members of the Board of Directors before the end of their term of office are determined by the GMS by referring to the Company's Articles of Association.
2. Ability and Integrity of Directors
- a. Members of the Board of Directors must meet the requirements of ability and integrity, so that the Company's management functions can be carried out well.
 - b. Members of the Board of Directors are prohibited from using the Company for personal, family, business group or other parties' interests.
 - c. Members of the Board of Directors must understand and comply with the Articles of Association and applicable laws and regulations relating to their duties.
 - d. Members of the Board of Directors must understand and implement the GCG Guidelines.



3. Division of Tasks

The division of tasks (duties) and authority of each member of the Board of Directors is determined by the GMS. Referring to the provisions of the Company Law and the Company's Articles of Association, in the event that the GMS does not determine the division of duties and authority, the division of duties and authority among the members of the Board of Directors is determined based on the decision of the Board of Directors.

4. Functions of the Board of Directors

The management function of the Company by the Board of Directors includes 5 (five) main tasks, namely management, risk management, good corporate governance, internal control, communication, and social responsibility as well as Environmental, Social and Governance ("ESG"), such as:

- a. Preparing the Company's vision, mission and values as well as long-term and short-term programs to be discussed and approved by the Board of Commissioners and Series A Dwiwarna Shareholders/Proxies in accordance with the provisions of the Company's Articles of Association.
- b. Controlling the resources owned by the Company effectively and efficiently.
- c. Paying attention at the reasonable interests of Stakeholders.
- d. Having work rules and guidelines (charter) so that the implementation of their duties can be directed and effective and can be used as a performance assessment tool.



- e. Preparing and implementing the Company's risk management system which covers all aspects of the Company's activities.
- f. ensuring the implementation of good corporate governance in an effective and directed manner.
- g. For every strategic decision made, including the creation of new products or services, the risk impact is carefully taken into account, in terms of the balance between results and risk burden, as well as compliance with applicable laws and regulations.
- h. To ensure that risks are implemented properly, the Company needs to have a work unit or person responsible for risk control (risk management).
- i. Developing and implementing a reliable Company internal control system in order to safeguard the Company's assets and performance and comply with statutory regulations.
- j. Ensuring smooth communication between the Company and stakeholders and shareholders.
- k. In the context of the Company's business sustainability, the Board of Directors can ensure that the Company's social responsibilities are fulfilled.
- l. Having a clear and focused plan in carrying out the Company's social and environmental responsibilities, as well as ensuring ESG runs well in the Company in accordance with applicable international standards.
- m. In addition to Responsibility and Environment (TJSL) as intended by UUPT, the Company also carries out TJSL functions based on regulations relating to BUMN.



5. Income
 - a. The basic principle is that members of the Board of Directors are given salaries and facilities/allowances, including post-service insurance, the amount of which is determined by the GMS by taking into account the provisions of applicable laws and regulations, especially in the BUMN sector.
 - b. Income for members of the Board of Directors is determined by the GMS which has previously been reviewed by the Board of Commissioners through in-depth research carried out by the Committee under the Board of Commissioners in charge of remuneration.
 - c. The Board of Commissioners (after paying attention to the results of the review of the Committee in charge of remuneration) submits remuneration proposals for Directors to the GMS for approval/determination which can be delegated by the GMS to the Board of Commissioners by taking into account the provisions of the Company's Articles of Association and applicable laws and regulations by first obtaining written approval of the Dwiwarna series shareholder/proxy.
 - d. The remuneration received by members of the Board of Directors (including share options if any) and the basis for calculating said remuneration are included in the Company's annual report each year.
6. Functions under the Board of Directors which must be established under regulations
 - a. company secretary



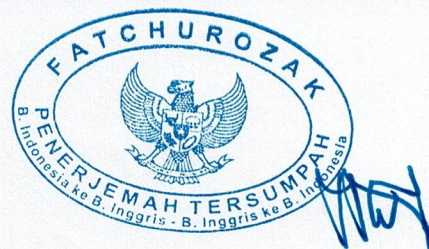
- 1) 1) The Corporate Secretary is appointed and dismissed by the Board of Directors with the approval of the Board of Commissioners. The appointment and dismissal of the Corporate Secretary must be submitted to the Financial Services Authority no later than 2 (two) working days after the appointment and/or dismissal and published on the Company Website.
- 2) The functions of the Corporate Secretary include (i) ensuring that the Company complies with regulatory disclosure requirements in line with the implementation of good corporate governance including openness to the public and available on the Company's website, (ii) providing adequate information required by the Board of Commissioners and Directors periodically and/or at any time if requested, (iii) as a liaison with stakeholders, Shareholders and OJK (including SRO), (iv) administer and store Company documents, including but not limited to the list of shareholders, special list, minutes of Directors' meetings, minutes of Board of Commissioners' meetings, minutes of meetings of the Board of Commissioners and Directors, and minutes of the GMS, (v) follow developments in the capital market, especially regulations laws and regulations in the capital markets sector, (vi) providing input to the Board of Directors and Board of Commissioners to comply with the provisions of laws and regulations in the capital markets sector, (vii) preparing for holding a GMS, and (viii) implementing an orientation program (introduction program) for members new Board of Commissioners and Directors.



- 3) In addition, the Corporate Secretary has the obligation to ensure compliance with laws and regulations in the Capital Market sector, unless otherwise specified in the Board of Directors' decision regarding legal and regulatory functions.
- 4) The Corporate Secretary or function carrying out the functions of Corporate Secretary is responsible to the Board of Directors.
- 5) The Corporate Secretary is obliged to make periodic reports at least 1 (one) time in 1 (one) year regarding the implementation of the Corporate Secretary's functions to the President Director and copy it to the Board of Commissioners.
- 6) Further arrangements regarding the Corporate Secretary will be regulated in the Corporate Secretary Charter.

b. Internal Audit Unit

- 1) The Company must have an Internal Audit Unit led by a Head who is appointed and dismissed by the Board of Directors with approval from the Board of Commissioners. Every appointment and dismissal of the Head of the Internal Audit Unit must be notified to the Financial Services Authority.
- 2) The Internal Audit Unit is tasked with assisting the Board of Directors in ensuring the achievement of objectives and business continuity by (i) evaluating the effectiveness of the implementation of internal control, risk management and corporate governance processes, in accordance with the provisions of laws and regulations and Company policies, (ii) inspection and assessment on efficiency and



effectiveness in the fields of finance, operations, human resources, information technology and other activities.

- 3) The Internal Audit Unit is responsible to the President Director or Director in charge of internal oversight duties. The Internal Audit Work Unit has a functional relationship with the Board of Commissioners through the Audit Committee.
- 4) The Internal Audit Unit is obliged to prepare an audit report and submit the report to the President Director with a copy to the Board of Commissioners.
- 5) Further regulations regarding the internal supervision function will be regulated in the Internal Audit Charter (SPI Charter).

c. Risk management

- 1) In order to implement risk management, the Board of Directors is required to establish a risk management function.
- 2) The Company's Risk Management Function is responsible for the following matters (i) formulating Risk Management policies, (ii) planning, implementing, monitoring and evaluating Risk Management, and (iii) Risk Management reporting and (iv) other matters required by the Company's internal policies and regulations, and
- 3) The Risk Management function of the Board of Directors has a relationship with the Business Risk Monitoring Committee of the Board of Commissioners.



4) Further regulations regarding the Risk Management function will be regulated in the Risk Management Charter and/or Risk Management Guidelines.

d. Committee under the Board of Directors

1) In addition to the organs of the Board of Directors which must be formed in accordance with statutory provisions, as long as they are required by statutory regulations and/or to support the duties of the Board of Directors, the Board of Directors forms Committees under the Board of Directors including (i) Information Technology Steering Committee, (ii) Committee TJSL, (iii) Succession Committee, (iv) Integrated GRC Committee, and (v) Investment Committee and other committees.

2) Committees as referred to in number 1) above, can relate to Committees on the Board of Commissioners if required/requested by the Board of Commissioners while still paying attention to internal policies in the Company.

3) Further arrangements regarding the committees as number 1) above will be further regulated by the Company's Board of Directors.

7. Board of Directors Meeting

a. The Board of Directors is obliged to hold regular Board of Directors meetings at least 1 (one) time in every month.

b. The Board of Directors is obliged to hold regular meetings between the Board of Directors and the Board of Commissioners at least once every 4 (four) months.

c. Board of Directors meetings can be held at any time if:



- 1) deemed necessary by one or more members of the Board of Directors;
 - 2) Upon written request from the Board of Commissioners.
- d. Invitations for meetings of the Board of Directors must be made by members of the Board of Directors who have the right to represent the Board of Directors. Invitations no later than 5 (five) days before the meeting is held, without taking into account the date of the invitations and the date of the meeting, or within a shorter time if it is urgent and/or already scheduled.
- e. All Board of Directors Meetings are chaired by the President Director, provided that in the event that the President Director is absent or unable to attend, the Board of Directors Meetings are chaired by a Director appointed by the President Director, however, if no appointment is made, then the Board of Directors Meetings are chaired by the Director who has served the longest. If there is more than one member of the Board of Directors, then the oldest member of the Board of Directors in age shall be the chairman of the meeting.
- f. A Board of Directors meeting is valid and has the right to make binding decisions if it is attended or represented by more than ½ (one-half) of the total number of Directors. Decisions at Board of Directors Meetings must be taken based on deliberation to reach consensus.
- g. The results of the meeting must be stated in the minutes of the meeting and documented by the Company. The minutes of the meeting as referred to in letter a are signed by all members of the Board of Directors present and their proxies, and letter b is signed by all



members of the Board of Directors and members of the Board of Commissioners present and their proxies.

h. The Board of Directors may also make valid decisions without holding a Board of Directors meeting provided that all members of the Board of Directors have been notified in writing and all members of the Board of Directors have given their approval regarding the proposal submitted in writing and signed the approval.

8. Evaluation of Directors' Performance

a. Series A Dwiwarna Shareholders/their Proxies determine the Directors' performance achievement indicators (Key Performance Indicators/KPI) which are stated in the Management Contract signed by all members of the Company's Board of Directors with the Series A Dwiwarna Shareholders/representatives of the Series A Dwiwarna Shareholders' Proxies in this case, namely PT Mineral Industri Indonesia (Persero).

b. The KPI as referred to in number 9 letter a is evaluated by the Accountant The public (AP) from KAP appointed by the GMS will then be submitted to shareholders including Series A Shareholders/Proxies in the Company's Annual Report.

c. Assessment of the Board of Directors is based on general criteria outlined in the KPI (Management Contract) each year.

9. Accountability of the Board of Directors

a. The Board of Directors prepares accountability for the management of the Company in the form of an Annual Report containing, among other things (i) a report on the Company's activities, (ii) an overview of important financial data, (iii) stock information (if any), (iv) a Director's



report, (v) a report from the Board of Commissioners , including reports regarding supervisory tasks that have been carried out during the previous financial year, (vi) Company profile, (vii) management analysis and discussion, (viii) Company governance, (ix) reports on the implementation of the Company's social and environmental responsibilities, (x) audited annual financial reports, (xi) details of problems that arose during the financial year that affected activities, (xii) names of all members of the Board of Directors and Board of Commissioners, (xiii) salaries and other allowances for members of the Board of Directors, and salaries or honorarium and other allowances for Members of the Board of Commissioners for the previous year, (xiv) a statement letter from Members of the Board of Directors and Members of the Board of Commissioners regarding responsibility for the Annual Report, (xv) and other matters required based on applicable laws and regulations.

- b. The annual report must obtain approval from the GMS, where specifically the Financial Report must obtain approval from the GMS.
- c. The annual report must be available from the date of the invitations for the GMS until the date of the GMS to enable Shareholders to carry out an assessment.
- d. By granting approval to the annual report and ratification of the financial report, the GMS has granted full release and discharge of responsibility (acquit et de charge) to each Member of the Board of Directors as far as this is reflected in the annual report, without reducing their respective responsibilities of each Member of the Board of Directors in the event of



a criminal act or error and/or negligence which causes losses to third parties which cannot be met with the Company's assets.

- e. The accountability of the Board of Directors to the GMS is a manifestation of the accountability of the management and administration of the Company by the Board of Directors and a form of GCG implementation.

D. Work Relations of the Board of Commissioners and Directors

The working relationship between the Board of Commissioners and the Board of Directors is a formal relationship with mutually determined mechanisms and accountable correspondence. This relationship is described in detail in each Charter.

E. RELATIONSHIP BETWEEN THE COMPANY'S ORGANS

Each Company Organ has its own function and authority in accordance with the provisions of the Company's Articles of Association and applicable laws and regulations. Respecting each other's functions and authority is the basis of the relationships developed by the Company. By mutually respecting the functions and authority of each Company Organ, it is hoped that positive cooperation and synergy will be created for the Company and further improve the implementation of GCG. The Company always encourages each Company Organ to carry out its duties and functions based on compliance with the provisions of applicable laws and regulations and aims to increase Shareholder value in the long term. For this reason, the Company has established policies related to relations between Company Organs are as follows:

1. Each Company Organ must act in the best interests of the Company.



2. Each Company Organ must act on the basis of togetherness in order to achieve the Company's objectives.
3. Each Company Organ must respect and respect each other's functions and roles.
4. Each Company Organ must act according to its respective function and role in accordance with the Company's Articles of Association and applicable laws and regulations.



CHAPTER V

RELATIONSHIP WITH THE PARENT COMPANY



A. GOVERNANCE HOLDING

PT Mineral Industri Indonesia (Persero)/MIND ID is the Parent Company where the governance relationship with the Company is based on the following provisions:

1. Legal Mechanism

- a. Main applicable laws and regulations in the BUMN sector that have been ratified and/or adopted by the Company.
- b. Company Articles of Association.
- c. Special Power of Attorney (SKK) MIND ID.
- d. MIND ID Governance Agreement and MIND ID Group Interaction Guidelines.
- e. Management Contract between the Company and MIND ID as Series A Shareholder Proxy.
- f. Charter Related to MIND ID Group Governance.
- g. Strategic Guidelines and Implementing Policies or Derivative Policies.
- h. Other documents prescribed by MIND ID.

2. Management Mechanism

- a. Regular Management Meetings.
- b. Committees under the Board of Commissioners.
- c. Supporting Governance Structure and Organs determined by MIND ID.

B. PRIVILEGES OF DWIWARNA SERIES A SHAREHOLDERS AUTHORIZED TO MIND ID

1. The Company respects the rights of MIND ID either as the majority Series B Shareholder or as the Proxy of the Series A Dwiwarna Shareholder as regulated in the Company's Articles of Association and MIND ID's SKK.
2. The rights of Series A Dwiwarna Shareholders which are authorized to MIND ID are as follows (unless it is not expressly stated in the section below that they are not authorized, they remain attached as absolute rights of Series A Shareholders):



- a. The right to approve at the Company's GMS includes the following matters:
 - 1) approval for the appointment and dismissal of members of the Company's Board of Directors and Board of Commissioners;
 - 2) Approval of changes to the Articles of Association;
 - 3) Approval of changes to share ownership structure (no authorized to MIND ID);
 - 4) Approval regarding merger, consolidation, separation and dissolution as well as takeover of the Company by another company (not authorized by MIND ID);
- b. The right to nominate candidates for members of the Board of Directors and members of the Board of Commissioners of the Company;
- c. The right to propose GMS agenda items;
- d. The right to request and access Company data and documents;
- e. The right to establish strategic guidelines/policies for the Company in the following fields:
 - 1) Accounting and finance;
 - 2) Development and investment sector;
 - 3) Operations and quality control;
 - 4) Marketing and commercial sector;
 - 5) Information technology sector;
 - 6) Procurement and logistics sector;
 - 7) Human resources sector;
 - 8) The areas of governance, risk management and internal supervision;
 - 9) Legal, compliance and handling of legal issues;
 - 10) Health, work safety, environmental management and social responsibility;



- 11) Research and innovation related to technology and Intellectual Property Rights (IPR);
 - 12) Field of reviewing laws and policies; and/or
 - 13) Other fields.
- f. The right to carry out inspections/reviews, provide input, request information, give approval, determine and monitor the implementation of the Management Contract for the Company's Directors, including determining the key performance indicators attached therein, as a condition for the appointment of the Company's Directors;
 - g. The right to propose changes to the Company's Articles of Association;
 - h. The right to coordinate, organize and/or synergize functions for the Company based on an agreement with/authorized by the Company in the fields as referred to in letter e above.
 - i. The right to synergize supervision of the Company's operational and strategic activities;
 - j. The right to control or monitor the implementation of the Company's strategic and operational activities or policies;
 - k. The right to carry out inspections/reviews, provide input, request information, and approve the Company's Long Term Plan, Company Work Plan and Budget, other work plans, along with any amendments submitted by the Company's Board of Commissioners; and
 - l. Authority to approve the Board of Commissioners' proposals for the Directors' actions as intended in Article 12 paragraph (7) I of the Company's Articles of Association with a value in accordance with the Company's Threshold as following:
 - 1) Disposal/transfer of and/or collateralization of Company assets;
 - 2) KSO, KSU, License cooperation, BGS, BSG, BGM and other agreements the same kind;
 - 3) Establish an organizational structure 1 (one) level below the Company's Directors;



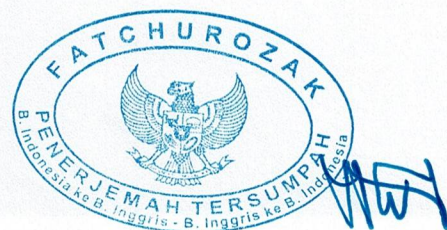
- 4) Capital investments and releases of capital investments, including changes to the capital structure of other companies, subsidiaries and joint ventures that are not in the context of saving receivables
 - 5) Establishment of subsidiaries and/or joint ventures
 - 6) Proposing candidates for members of the Board of Directors and Board of Commissioners of subsidiaries who have made significant contributions
 - 7) Carrying out mergers, consolidations, takeovers, separations, and dissolution of subsidiaries and joint ventures.
 - 8) Binding the Company as guarantor (borg or avalist);
 - 9) Receiving medium/long term loans and giving medium/long term loans
 - 10) Provide short/medium/long term loans not operational
 - 11) Eliminate bad debts and dead inventory
 - 12) Carrying out actions that are included in material transactions, unless such actions are included in material transactions that are excluded by the applicable laws and regulations in the Capital Market sector.
- m. The right to make decisions on proposals from the Company's Board of Commissioners and/or on actions by the Company's Directors, which based on the Company's Articles of Association require approval from Series A Dwiwarna Shareholders which has not been regulated in the SKK MIND ID.

C. FRAMEWORK OF HOLDING'S RELATIONSHIP WITH THE COMPANY

1. MIND ID's relationship with the Company is based on shareholding in the Company and as proxy for Series A Shareholders.
2. In its implementation, MIND ID's relationship with the Company is carried out with an institutional relationship by prioritizing the principle of separation of entities to avoid piercing the corporate veil.



3. The Company's relationship with MIND ID is based on GCG principles and pays attention to applicable laws and regulations, especially in the areas of limited liability companies, BUMN and capital markets.
4. MIND ID's relationship with the Company can be reflected both at the GMS as a shareholder and power of attorney for special rights based on the Company's Articles of Association as power of attorney for Series A Shareholders.



BAB V

**COMPANY RELATIONS WITH SUBSIDIARIES,
AFFILIATED COMPANY (JOINT VENTURE COMPANY
AND ASSOCIATED ENTITIES)**



A. BASIC PRINCIPLES OF CONTROLLED PARENT-SUBSIDIARY RELATIONSHIPS (VERTICAL DOWNWARD)

In order to build systems, structures and mechanisms for relationships between entities within the Company group, there are several basic principles that will guide and animate every policy, decision making and interaction between entities. These basic principles are rooted in corporate relationships which emphasize that Subsidiaries are separate and independent entities (separate legal entities) and avoid piercing the corporate veil. The basic principles in corporate relations are as follows:

1. The Company as the parent company determines policies for Subsidiaries in accordance with the provisions of the Articles of Association and takes into account the Company Law.
2. The Parent Company coordinates, organizes and/or synergizes functions for the Subsidiaries.
3. Corporate relationships between the Parent Company and Subsidiaries as well as between Subsidiaries prioritize the interests of the Company as a whole as a group, based on the principle of synergy to achieve the best results for the Company and Subsidiaries, but while still paying attention to the arm length basis principle.
4. Subsidiaries are formed with the aim of being able to be independent and have freedom (flexibility) in carrying out business fields and utilizing existing resources in such a way that it is possible to achieve optimal business achievements or performance by taking into account the Company's competitive advantages and limitations. The Company, as the parent company, seeks to avoid policies that could hamper the freedom and



flexibility of Subsidiaries in efforts to create value (value creation) which will contribute to synergy and added value to the group.

5. The Company and Subsidiaries will act based on best practices in the relevant industry, by complying with all applicable laws and regulations, the Articles of Association of the Company and Subsidiaries, as well as fulfilling the requirements of external parties and other stakeholders who may influence to the operations and reputation of the Company and Subsidiaries.

**B. BASIC PRINCIPLES OF RELATIONSHIP WITH AFFILIATED COMPANIES
(JOINT VENTURE COMPANY AND ASSOCIATED ENTITIES)**

1. The Company as not the controlling shareholder in a joint venture company or associated entity respects the rights of other shareholders specified in the shareholder agreement, joint venture company agreement or other similar documents.
2. The policies set by the Company for Subsidiaries as stated in letter A above, can only be implemented if:
 - a. It is declared to be implemented by all shareholders in the joint venture company/associated entity with a confirmation mechanism at the GMS.
 - b. Adopted directly by the Board of Directors of the joint venture company/associated entity.
3. However, in the event that the joint venture company/associated entity is controlled indirectly by MIND ID, then all provisions for Subsidiaries also apply to it.

**C. FURTHER ARRANGEMENTS OF THE RELATIONSHIP BETERN THE
PARENT AND SUBSIDIARIES**



Furthermore, details of the application of basic principles in managing parent and subsidiary relationships will be described in the Company's Code of Group Governance, which is the Management Policy.



BAB VI

MAIN COMPANY POLICY



A. BASIC PRINCIPLES

Companies are required to prepare policy points contained in a code, charter or company implementation policy (corporate management policy) in order to implement the principles of good corporate governance whose norms/values refer to the provisions of laws and regulations, the Company's Articles of Association, regulations, and policies that have been confirmed/adopted (according to needs or on orders from Series A Shareholders/Proxies) based on regulations stipulated by the Minister of BUMN and/or MIND ID, especially Strategic Guidelines and Implementing Policies.

B. Code of Conduct

1. Business Integrity

The scope of the Company's business activities which are closely related to the surrounding community and the environment requires the implementation of these ethical standards. The ethical standards applied are based on GCG principles, company culture and work culture. With the increasingly developing business environment, the Company is aware of the importance of actively playing a role and acting as a corporation that runs its business responsibly. The Company is fully aware that good relationships with Stakeholders and increasing shareholder value in the long term can only be achieved if business integrity is always maintained and improved in every business activity of the Company. The Company always encourages all its staff to comply with applicable laws and regulations in carrying out their functions for the Company. On the other hand, the Company prohibits all Company Staff from carrying out their



functions and work from violating the provisions of applicable laws and regulations.

2. Work Ethics

Employees are one of the important elements in achieving the Company's goals, which in carrying out their work is based on a work attitude: trusting, open, positive, rational, cost and environmental conscious in accordance with Company policies and regulations. Every employee in carrying out the Company's business activities must comply with the provisions below:

- a. Always uphold business ethics in carrying out daily tasks for which he is responsible;
- b. Not doing things that are contrary to ethics or applicable laws and regulations;
- c. Not committing KKN (Corruption, Collusion and Nepotism) which could be detrimental to the Company;
- d. Do not enter into agreements or agreements, relating to certain plans or forms, whether express or implied, formal or informal, with any suppliers or competitors related to the Company's business activities;
- e. Not carrying out insider information activities;
- f. Must prioritize the interests of the Company over the interests of groups, individuals, family, relatives and/or other parties;
- g. Must foster positive and productive cooperation with leaders, subordinates and co-workers;
- h. Must hold office secrets, namely secrets relating to his duties and/or position, whether in the form of written documents, voice recordings or verbal orders/statements from his superiors;



- i. It is prohibited to accept or give gifts exceeding a certain value determined by the Company or by law where it is known that the gift is made based on the power or authority attached to the position or position of the party concerned;
- j. Mandatory to be at the place of duty and perform his duties on the days and working hours specified.

The values and formulation of the Company's work ethics are outlined and further explained in the Code of Conduct so that they can be understood and applied consistently.

C. CHARTER

The Board of Commissioners, Directors and Supporting Organs of the Board of Commissioners and Directors have a very important role in supporting the company's goals, so a guideline (charter) is needed to guide the implementation of duties, responsibilities and authority to fulfill the interests of shareholders and other stakeholders. With the existence of a charter in the Board of Commissioners, the Board of Directors, and the supporting organs of the Board of Commissioners, as well as the Board of Directors' organs, they always carry out activities based on the principles of good corporate governance, in accordance with company ethical standards, and always comply with applicable laws and regulations.

The Board of Commissioners, Directors, Supporting Organs of the Board of Commissioners, and Board of Directors organs that are required to prepare charters (including the Internal Control Unit, Risk Management, and Corporate Secretary) are responsible for compiling Charters in accordance with their



duties in a comprehensive manner as further elaboration of the Company's CGP.

The Charter is prepared as a guideline for the Board of Commissioners, Directors, Supporting Organs of the Board of Commissioners, and several organs of the Board of Directors to carry out their duties effectively and efficiently, transparently, competently, independently and responsibly (accountable) so that it is accepted by all interested parties and in accordance with statutory regulations. valid invitation. In order to comply with the charter, each organ must be responsible for ensuring compliance with the charters created.

1. Coverage of the Board of Commissioners Charter

The Board of Commissioners' Charter (Charter) contains at least the following (i) legal basis, (ii) description of duties, responsibilities and authority, (iii) values, (iv) working hours, (v) meeting policies including meeting attendance policy and meeting minutes, and (vi) accountability reporting.

2. Coverage of the Board of Directors' Charter

The Board of Directors' Charter contains at least the following (i) legal basis, (ii) description of duties, responsibilities and authority, (iii) values, (iv) working hours, (v) meeting policies including policy attendance at meetings and minutes of meetings, and (vi) accountability reporting.

3. Coverage of the Board of Commissioners' Supporting Organ Charter

a. Audit Committee

The scope of the Audit Committee charter at least contains (i) duties and responsibilities as well as authority. (ii) composition, structure and



membership requirements (iii) work procedures and procedures, (iv) meeting holding policies (v) activity reporting system, (vi) provisions regarding handling complaints or reporting regarding suspected violations related to financial reporting; and (vii) the term of office of the Audit Committee.

b. Nomination and Remuneration Committee

The scope of the Nomination and Remuneration Committee Charter includes at least (i) duties and responsibilities, (ii) composition and membership structure, (iii). work procedures and procedures, (iv) implementation of meetings, (v) activity reporting system; (vi) replacement procedures members, and (vii) tenure.

c. Risk Monitoring Committee

The scope of the Business Risk Monitoring Committee Charter includes at least (i) duties and responsibilities, (ii) composition and membership structure, (iii). work procedures and procedures, (iv) holding meetings, (v) activity reporting system; (vi) procedures for replacing members, and (vii) term of office.

d. Secretariat of the Board of Commissioners

The scope of the Board of Commissioners Secretariat Charter includes at least (i) duties and responsibilities, (ii) membership composition and structure, (iii) activity reporting system; (iv) procedures for replacing members, and (vi) term of office.

4. Coverage of Internal Audit Charter (SPI Charter)

The SPI charter at least contains (i) the structure and position of the SPI (ii) the duties and responsibilities of the SPI (iii) the authority of the SPI (iv) the



SPI code of ethics which refers to the code of ethics established by the internal audit association in Indonesia or the code of ethics Internal Audit which is generally applicable internationally (v) internal auditor requirements in the SPI, (vi) SPI accountability and (vii) prohibition of concurrent duties and positions of internal auditors and implementers in the Internal Audit Unit from carrying out company operational activities both in Issuers or Public Companies and its subsidiaries.

5. Risk Management Charter Coverage

The scope of the Risk Management Charter includes at least (i) the Company's risk management organs, (ii) risk management policies, (iii) risk management planning, implementation, monitoring and evaluation mechanisms, and (iv) reporting mechanisms.

6. Coverage of the Corporate Secretary Charter

The scope of the charter of corporate secretary contains at least (i) duties and responsibilities, (ii) requirements for the Corporate Secretary, (iii) reporting and disclosure related to the appointment and dismissal of the Corporate Secretary, (vi) composition and structure of the Corporate Secretary's work unit, (vii) work procedures and procedures, and (vi) other relevant provisions related to the functions of the Corporate Secretary.

7. Other Charters

If it is determined in statutory regulations or this GCP that it is mandatory to prepare a Charter, as long as its scope is not regulated by statutory regulations or other provisions, then the scope of other charters shall at least include (i) duties and responsibilities, (ii) composition and structure,



(iii) work procedures and procedures, and (iv) other relevant provisions related to the implementation of duties and responsibilities.

D. GENERAL

1. Relations with Shareholders

The Company guarantees that Shareholders are entitled to equal treatment in accordance with the class and proportion of shares owned and can exercise their rights in accordance with the provisions of the Company's Articles of Association and applicable laws and regulations.

According to law, each Shareholder must comply with the Company's Articles of Association, all decisions legally taken at the GMS as well as applicable laws and regulations. Shareholders may not intervene in the management of the Company without going through a GMS. Included in the definition of intervention are actions or directions that directly influence the management or supervision of the Company or decision making by the Board of Directors/Board of Commissioners. This provision is intended to emphasize the independence of the Company as a business entity so that the accountability of the Directors/Board of Commissioners can be better and clearer.

In order that relationships with shareholders can be maintained well and comply with the provisions of applicable laws and regulations, the Company establishes policies related to Shareholders as follows:

- a. The Board of Directors must provide complete and accurate material information regarding the Company to each Shareholder.



- b. The Board of Directors must prepare a GMS mechanism that allows each Shareholder to attend the GMS and cast their vote in accordance with applicable laws and regulations.
- c. The Company must ensure that each Shareholder obtains their rights in accordance with the provisions of the Company's articles of association, all decisions taken legally at the GMS as well as applicable laws and regulations.
- d. Each Shareholder must fulfill obligations and exercise rights in accordance with the Company's Articles of Association and applicable laws and regulations.

2. Accounting Standards

The Company has a policy of implementing an accounting system that accurately reflects every financial transaction and asset change that occurs. The Company guarantees that only real financial transactions are recorded. These financial transactions have received management approval and are recorded correctly in the Company's accounting system. The Company always ensures that all policies and regulations related to accounting refer to the applicable Financial Accounting Standards Guidelines.

The Company's Financial Reports always contain financial position, financial performance, changes in equity and cash flow as well as notes to the financial reports.

The Company discloses in the Company's Financial Reports various information that is relevant to users of financial reports correctly and accurately in accordance with applicable accounting provisions and standards.



In order that accounting standards can be implemented properly and comply with applicable internal and external regulations, the Company has established policies related to accounting standards as follows:

- a. The Company continues to improve its accounting policies so that they always comply with applicable financial accounting standards.
- b. Every level of management and employees responsible for financial functions must understand and implement the Company's financial policies consistently.
- c. Every Management and Employees responsible for financial functions record transactions must be relevant, trustworthy, accurate, timely, useful and auditable.
- d. Each Management and Employees responsible for financial functions must treat financial information in accordance with the Company's information classification policy and applicable laws and regulations.

3. Internal Control

The Board of Directors always develops the Company's internal control system so that it can function effectively to safeguard the Company's investments and assets. The internal control system developed includes the following:

- a. The internal control environment within the Company is disciplined and structured.
- b. Business risk assessment and management, namely a process for identifying, analyzing, assessing and managing relevant business risks.
- c. Control activities are actions carried out in a process of controlling Company activities at each level and unit in the Company's



organizational structure, including regarding authority, authorization, verification, reconciliation, assessment of work performance, division of tasks and security of Company assets.

- d. The information and communication system is the process of presenting reports regarding operational, financial activities and compliance with the rules and regulations that apply to the Company.
- e. Monitoring is the process of assessing the quality of the internal control system including the internal audit function at each level and unit of the Company's organizational structure.
- f. Developing an Internal Control System that includes the five points above, needs to be equipped with a Standard Operating Procedure (SOP) for each of these points. SOPs are also intended to prepare work plans, work procedures, recording, reporting, personnel development and internal reviews from aspects of production, marketing, finance and business development and other aspects.

4. External Auditor

The need for an External Auditor is felt by the Company, especially in expressing opinions regarding the fairness, in all material matters, of financial position, business results, changes in equity and cash flows in accordance with generally accepted accounting principles in Indonesia. The External Auditor's Statement is an independent third party's opinion regarding the fairness of the Financial Report submitted to the Company's shareholders and other stakeholders regarding material matters contained in the financial report.



Financial Reports are the responsibility of the Board of Directors. The responsibility of the External Auditor is to express an opinion on the Financial Statements.

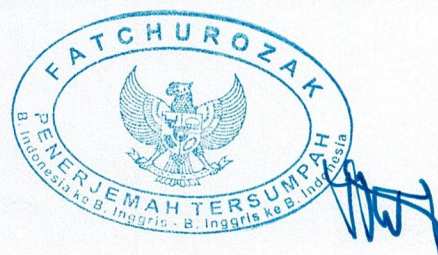
In dealing with External Auditors, the Company applies the following principles:

- a. The External Auditor is appointed by the GMS, from candidates proposed by the Board of Commissioners based on the recommendation of the Audit Committee.
- b. The Audit Committee, through the Board of Commissioners, conveys to the GMS the reasons for the nomination and the amount of the honorarium/remuneration for the External Auditor.
- c. The External Auditor must be free from the influence of the Board of Commissioners, Directors and other interested parties in the Company.
- d. The Company provides all necessary accounting records and supporting data to enable the External Auditor to provide an opinion regarding the fairness, soundness and conformity of the Company's financial reports with Indonesian financial accounting standards.
- e. The appointment of an External Auditor (Public Accounting Firm) refers to the provisions of applicable laws and regulations.

E. SPECIFIC

1. Quality Management

The Company establishes a consistent and integrated quality management system in all functions by paying attention to business effectiveness and



overall Company performance in order to increase productivity and competitiveness.

The Company has a quality policy which covers aspects of customer satisfaction, product quality, process quality, quality culture and quality awareness, quality care and quality determination.

In order to guarantee excellent quality of products and services delivered to customers, the Company implements an integrated quality management system regarding controlling the quality of products and services produced by the Company. Product and service quality assurance is the result of a series of production process activities that comply with international standards carried out in every Coal-based Energy Business activity which includes but is not limited to:

- a. General Investigation.
- b. Exploration.
- c. Feasibility Study.
- d. Construction.
- e. Mining.
- f. Processing and Purification.
- g. Test Specifications.
- h. Transport and Trade.
- i. Post-Mining Activities.
- j. Business and Energy.
- k. Consulting and Engineering Services.



The Company always strives for its quality management system to continue to develop in accordance with the demands of internal needs, customers and applicable laws and regulations.

2. Risk Management

The Company realizes that risk management is very important, considering that the mining industry is an industry with a very large level of possibility of financial, operational, strategic and externality risks occurring if not managed well. The risk management system is always developed to anticipate possible risks and eliminate existing risks to achieve the Company's targets.

The Risk Management System developed by the Company is carried out in an integrated manner at the corporate level by involving each work unit.

The development of the Risk Management System is part of the Company's long-term strategy, with the formation of a special work unit to handle this matter and implemented systematically in accordance with risk management standards that are widely applied and used as a reference.

The risk management stages implemented by the Company include:

- a. Establish the risk context.
- b. Identify risks.
- c. Risk analysis.
- d. Risk evaluation.
- e. Risk control.
- f. Risk review and monitoring.
- g. Communication and Consultation in Risk Management

3. Management Information



The Company implements a Management Information System which is an integrated business application covering finance, maintenance, logistics and human resources. An integrated and connected mining business information system between the Head Office in Tanjung Enim and the Tanjung Enim Mining Unit, Ombilin Mining Unit, Tarahan Port, Kertapati Pier, and the Jakarta Representative Office, thus enabling business activities to be carried out accurately, on time, effectively and efficiently .

The Company always develops the existing Management Information System to increase the Company's efficiency, growth and competitiveness. Management Information System Development is part of the Company's strategy and Long Term Plan.

4. Mining and Energy Activities

Mining activities carried out by the Company are always based on Mining Business permits as regulated in regulations in the energy and mineral resources sector. The Company always complies with every stage of mining activities as stated in applicable regulations as a form of legal compliance and maintaining integrity and a caring attitude towards the community and the environment.

The energy activities carried out by the Company are the activities of cultivating and/or operating steam power plants.

5. Corporate Social Responsibility

The Company realizes the importance of harmonious relationships with the surrounding community, especially given the nature of the mining industry which utilizes a lot of existing natural resources. The Company strives to maintain and improve harmonious relations between the Company and the



surrounding community so as to create a conducive situation in supporting business development and growth of the Company. This form of commitment is realized by participating in the development of the surrounding community through the TJSL program which covers economic, environmental, human rights, employment, product and social responsibility aspects which are packaged in ESG.

6. Development of Economic Aspects

The Company seeks to play an active role in efforts to empower the surrounding community's economy. One of them is through the Partnership Program.

The implementation of the partnership program is carried out by the Company based on procedures and policies that have been established by the Company while still referring to applicable laws and regulations. This Partnership Program is a form of the Company's responsibility and contribution to the sustainable development of the community's economy.

7. Environmental Management

The Company strives to carry out its business activities with an environmentally oriented mining policy that integrates environmental aspects with Environmental Impact Analysis (AMDAL) and applicable laws and regulations. This is intended so that environmental management can provide long-term benefits for employees, the community and future generations.

The Company's commitment to environmental management targets includes the following policies:



- a. Environmentally friendly coal mining and industrial processes (Green Coal Mining and Coal Industrial Process) Carry out good and correct mining (Good Mining Practices), namely while carrying out mining while managing the environment by considering natural sustainability and using natural resources wisely and implementing an Environmentally Friendly Production System by minimizing the resulting environmental impact.
- b. Environmentally friendly products (Green Products) Encouraging the creation of environmentally friendly products by producing low sulfur coal.
- c. Environmentally friendly marketing and distribution (Green Marketing and Distribution) Marketing and distributing products with a commitment to environmental aspects which are realized in the form of energy conservation and resource use.
- d. Environmental Communication (Environmental Communication) Communicate all activities related to the environment and work together (collaborate) with all parties both internally and externally.
- e. Human Resource Development and Environmental Management (*Environmental Management and Human Resources Development*) restablish an organization to facilitate the acceleration of the decision-making process, establish indicators and an environmental management evaluation system and strive for environmental awareness among all employees and suppliers or contractors.
- f. Establishing a Framework for Setting and Reviewing Environmental Objectives and Targets (Framework for Setting and Reviewing



Environmental Objectives and Targets) Provides a framework for establishing and reviewing environmental goals and targets to be achieved

g. Availability to Interested Parties (Available to Interested Parties)

This Environmental Policy is available to parties who need it. The implementation of environmental management is always pursued based on internationally accepted environmental management standards.

8. Occupational Health and Safety (K3)

The Company guarantees that management of occupational health and safety is an inseparable part of the production system being developed and part of the Company's long-term strategy. The Company always provides a safe and healthy work environment by ensuring that all of the Company's operational locations meet occupational health and safety management standards in accordance with applicable laws and regulations and Company policies.

The Company strives to ensure the occupational health and safety of employees and other parties who collaborate through various occupational health and safety management programs starting from the establishment of work units that handle occupational health and safety management both at the corporate level and at the work unit level, infrastructure equipment (tools) of protection for workers and warning boards both at mining sites and at the Company's office), monitoring the implementation of occupational health and safety as well as regular occupational health and safety audits.



The Company establishes policies to ensure occupational health and safety for all parties involved in the Company's business activities and is committed to:

- a. Creating examples in the application of discipline that starts from oneself, cultivating safe behavior and developing competence through fostering effective work attitudes;
- b. Preventing incidents through planned identification, analysis and elimination of hazards;
- c. Complying with applicable laws and regulations both nationally and internationally;
- d. Measuring Occupational Health and Safety (K3) performance and make continuous improvements.

Implementation of Occupational Health and Safety (K3) is the responsibility of all parties involved in the Company's business activities.

9. Relations with Officials (Industrial Relations)

The Company respects the human rights of every Company Staff. In terms of the relationship between Management and Employees, it is bound in the form of a Collective Labor Agreement (PKB). The Company's commitment to placing the Collective Labor Agreement as the basis for developing relationships with employees. Human resource management policies and procedures, such as promotion, demotion, transfer and reward and penalty procedures are implemented consistently.

The Company implements a human resource management system based on the values of openness, fairness and free from bias due to differences in



ethnicity, origin, gender, religion and origin of birth as well as matters that are not related to employee performance.

The policies developed by the Company in relation to employees are based on the following matters:

- a. Human resource management policies and procedures are developed based on the principles agreed in the Collective Labor Agreement and GCG principles;
- b. Management policies and procedures are implemented consistently;
- c. Good and safe working conditions in accordance with applicable laws and regulations;
- d. Employees can choose whether or not to be collectively represented by a representative trade union group, unless otherwise stated in the Company's Collective Bargaining Agreement.
- e. Employees have the same opportunity to participate in further education, training and development in line with the Company's competencies and needs;
- f. Management and employees are required to comply with the Collective Labor Agreement and Company policies regarding Human Resources Management;
- g. Employees are obliged to exert all power and effort in carrying out the work tasks assigned to them;
- h. Employees are obliged to protect the property and good name of the Company;
- i. Officers who are superiors must build and set an example for subordinates in their environment.



10. Involvement in Political Activities

The Company recognizes the right of every employee to channel their political aspirations. The Company does not force or limit the rights of individuals to channel their political aspirations to the extent permitted by applicable laws and regulations. It is the Company's policy that employees who are political party administrators must choose to resign from the company or relinquish their management as evidenced by a statement letter. The Company does not allow individuals within the Company's ranks to impose coercion on other individuals within the Company's ranks, thereby limiting the rights of the individuals concerned to express their political aspirations. Decisions taken by individuals within the Company's ranks to contribute their time, money or personal resources to political activities are personal choices and risks.

The Company prohibits the use of assets or making donations in any form to political parties or other political activities outside the provisions of applicable laws and regulations.

11. Relations with the National Office

In interacting with regulators and other institutions related to the Company's business, the Company always maintains harmonious and constructive relationships based on honesty and mutual respect while prioritizing the public interest.

Every relationship with government/state officials must be maintained as an objective and reasonable relationship within the corridors of applicable law, in an ethical manner and not in conflict with applicable laws and regulations.



12. Management Technology

The Company realizes that technology management is closely related to the success of overall corporate governance. The Company ensures that there is a process of improvement, refinement and utilization of technology regularly, measurably and efficiently. The Company always develops the transfer of technology, knowledge and other expertise related to the Company's operations.

Technology management also includes processes in governance and information technology resources, as well as the development of an integrated technology system in accordance with the objectives and needs of the Company's business processes. Information technology governance is aimed at ensuring that the data/information output issued by the Company is more accurate, easy to access, can be used as needed, makes reporting easier, is reliable and safe.

The application of this technology management is integrated with the Company's Information Management System to increase the effectiveness and efficiency of the Company's operational activities.

13. Performance Management & Remuneration

In order to implement GCG principles, the Company implements a performance management system developed based on the principles of transparency, accountability, independence and fairness. The performance appraisal system seeks to:

- a. Transparent in the sense that all employees can know what measures are being assessed so that the person concerned can independently estimate the results of their performance assessment and can compare



them with the results of the performance assessment conducted by the Company;

- b. Accountability in the sense that performance management is carried out by work units that are capable of implementing it well and performance management is based on clear/measurable measures;
- c. Independent in the sense that the assessment of performance management is carried out objectively and is based on predetermined measures without influence or pressure from any party that will influence the results of the performance management assessment;
- d. It is reasonable in the sense that performance management is developed based on performance targets that can be achieved.

The results of performance appraisals are part of achieving work unit targets which are ultimately also used as an assessment of the career and compensation system.

14. Affiliate Transactions

The Company has transactions with several partners who are affiliated companies, especially because ownership is controlled by the Indonesian Government and share ownership is owned by the Company.

Transactions with affiliated parties will always be carried out based on the principle of equality (arm-length relationship) so that the interests of Minority Shareholders and the Company are not harmed.

The Company always discloses transactions with affiliated parties fairly in accordance with the provisions of applicable laws and regulations.



All Company officials and outside parties who carry out business activities with the Company are required to disclose their share ownership in the company by making a written statement.

15. Conflict of Interest

A conflict of interest is defined as a conflict between personal economic interests and the Company's economic interests which has an impact on objectivity and commercial considerations.

Every individual within the Company's ranks is prohibited from being in a situation that creates a conflict of interest. It is the Company's policy that every decision made by individuals within the Company's ranks is solely in the best interests of the Company. However, due to certain circumstances that give rise to a conflict of interest, the person concerned is obliged to disclose and the person concerned is prohibited from participating in the decision-making process.

To avoid conflicts of interest, the Company has established several policy principles as follows:

- a. Members of the Board of Commissioners and Members of the Board of Directors must disclose share ownership in the Company or in other companies in a special list as required by applicable laws and regulations;
- b. Every individual within the Company's ranks is prohibited from using their position for personal interests or for the interests of other people or other parties which are detrimental to the interests of the Company;
- c. Every individual within the Company's ranks is prohibited from using important and confidential information for personal interests or for the



interests of other people or other parties that are detrimental to the interests of the Company;

- d. Every individual in the Company's Management should avoid economic interests in the Company which could give rise to a conflict of economic interests;
- e. Every individual within the Company's ranks who, due to certain circumstances, is in a position that could give rise to a conflict of interest, will convey this potential to his or her superior directly and not make any decisions regarding actions that have the potential to give rise to a conflict of interest.

16. Anti-Bribery and Anti-Corruption

Gift giving is defined as all kinds of gifts by the Company's Management to certain parties with the aim of influencing these parties so that they can benefit the Company beyond reasonable limits. Giving gifts to parties who provide economic benefits to the Company can be justified within reasonable limits and is carried out in accordance with applicable laws and regulations.

Acceptance of gifts is defined as all forms of acceptance by the Company's Management from interested parties with the aim of influencing decisions of the Company's Management that benefit the gift giver. Acceptance of the gift in question, both legally and in business ethics, cannot be justified. Giving and receiving gifts includes actions that fall into the category of bribery and corruption, so the Company strongly condemns these actions.



In principle, giving or receiving gifts is prohibited by the Company, unless the implementation is in accordance with the regulations specifically determined by the Company or applicable laws and regulations.

Regulations regarding giving and receiving gifts are further regulated in the Anti-Bribery and Anti-Corruption Policy.

17. Openness and Confidentiality of Information and insider information

In implementing information disclosure and confidentiality, the Company is based on information classification policies developed in accordance with applicable rules and regulations. Information that is not confidential can be published and accessed by the public through existing means and facilities. The Company provides and communicates information that must be immediately conveyed to Shareholders and other Stakeholders in the context of a fast decision-making process. One of the media for carrying out disclosure of Company information is through the Company's official website.

The Company does not publish confidential information or information that is not yet accessible/allowed to be accessed by the public. All levels of the Company do not take actions or actions that could cause losses to the Company as a result of leakage of information in whole or in part to unauthorized parties, which include: Company Long Term Plan (RJPP), Work Plan and Company Budget (RKAP), Technical Drawings, data or other documents that fall into the confidential category.

Submission of confidential information can only be done through special authority by the Board of Commissioners/Directors or the Corporate



Secretary. The Company further regulates the obligation to maintain the confidentiality of Company information in a Company regulation.

18. Insider Transactions

Company officials are prohibited from disclosing all forms of sensitive and confidential information relating to business activities that have not yet been disclosed in accordance with internal rules and applicable laws and regulations.

Regulations regarding sensitive and confidential information are further regulated in the Letter and Archives Management policy.

19. Port Security (ISPS Code)

Transportation of coal to its destination, both for domestic delivery and export purposes, is carried out using sea transportation and port facilities, therefore the aspect of port security is very important for the Company. The Company implements a port security system and is certified according to applicable standards (International Ship and Port Facility Security Code).

20. Marketing/Sales

In carrying out product and service marketing activities, the Company fulfills customer interests and establishes mutually beneficial relationships by paying attention to:

- a. Products and services comply with specifications;
- b. Reasonable and competitive prices that can be accounted for;
- c. Delivery of products and services according to volume and delivery time;
- d. Product and service promotion activities efficiently and effectively to achieve the marketing performance set by the Company.



Marketing strategies are developed to fulfill contracts for both domestic and export supplies, while continuing to adjust the proportion of the domestic and export markets from time to time according to the most profitable conditions for the Company.

21. Procurement of Goods and Services

In carrying out its business activities, the Company always maintains the creation of healthy competition in accordance with applicable laws and regulations by upholding the principles of efficiency, effectiveness, competitiveness, transparency, fairness and justice and accountability. The procurement system through e-procurement and e-auction was developed in order to implement the GCG principles above. The development of a procurement system as mentioned above is supported by adequate technological, information, organizational and human resources.

The goods and services procurement system developed by the Company is implemented by taking into account the following matters:

- a. Implemented consistently;
- b. Regularly review the adequacy of the existing procurement system so that it meets the principles of effectiveness and efficiency, openness and competition, transparency, fairness/non-discrimination and accountability;
- c. Obligation to avoid conflict of interest transactions and affiliated transactions by all levels of the Company in the goods and services procurement system.

In the process of procuring goods and services in the Company according to needs and always prioritizing domestic products and services and



empowering local entrepreneurs, while still paying attention to reasonable prices and quality.

22. Asset Management

The Company carries out asset management based on the principle of highest and best use (optimization) of each Company asset (highest and best uses). With this asset management, all information related to assets can be obtained quickly and easily, so that it will influence the decision-making process, especially in the utilization and optimization of assets.

Maintenance of assets is carried out on a scheduled basis where the Company has a work plan and asset maintenance mechanism to maintain security, reliability and orderly administration of assets. Insurance protection will be provided for high risk assets. Every asset owned by the Company should have legal documents that show legal ownership of the asset.

The Company carries out asset identification and document control over assets used by itself or by other parties.

23. Management of Company Documents/Archives

Management of Company Documents/Archive carried out by the Company is based on the principle of storing and maintaining the most effective documents based on the use value and length of shelf life of a document, thus providing easy access to obtain the necessary information/data and in itself will facilitate the decision making process in Company.

Each function/work unit of the Company has a document/archive control plan and mechanism which covers all Company documents/archives, especially the security of general, ordinary, important and confidential



documents/archives. The Company makes policies regarding Company documents/archives that can be depreciated or destroyed based on the Records Retention Schedule (JRA) and periodically reassesses documents/archives to analyze their use value and shelf life.

24. Law, Compliance and Handling Legal Issues (Legal Compliance)

The company's legal process must be ensured to be in line with the implementation of the company's strategy to achieve the company's vision and mission. The ability of the Company's legal processes to support the Company's strategy must ensure that all legal risks are controlled by the Board of Directors. The Company, through the work unit responsible for law and compliance, is obliged to ensure that all of the Company's activities comply with the provisions of the Articles of Association, Internal Policies and applicable laws and regulations and carry out regular socialization whenever there are changes/new regulations that have an impact on the company's business activities. The Company must also ensure that there are procedures for handling both litigation and non-litigation cases in order to minimize legal risks that impact the Company.

25. Research and Innovation (Research and Development)

As a manifestation of the Company's core values, research is important in ensuring the sustainability of the Company's business. For this reason, the Company continues to strive to conduct research and innovation in order to diversify its business or support the Company's business activities. To ensure research and development in nature, the Company ensures the availability of targeted Company policies related to research and development and innovation within the Company.



26. Development and Investment

Development and investment are inseparable. The Company guarantees that the Company's development and investment is in line with the Company's Long Term Plan (RUPP) that has been established by the Company and refers to the provisions regulated by the Parent Company (MIND ID). In order to ensure that the development process for certain projects and investment in the Company's Subsidiaries and Affiliates runs effectively, the company further regulates the Implementation Policy (Management Policy), so that development and investment can provide optimal added value for the Company. In addition, the Company ensures that the selection of Company partners is carried out prudently in accordance with the Management Policy in the field of Cooperation.

27. Intellectual Property Rights

Intellectual Property is the Company's right to a patent, copyright or other nature that has been registered with the regulator that handles Intellectual Property Rights (IPR). In order to guarantee this, the Company guarantees to protect the IPRs owned by the Company from all attempts to violate IPRs from any party, apart from that the Company also respects IPRs from other parties and strives to ensure that there are no IPR violations within the Company.



CHAPTER VII

CLOSING



A. Conclusions

1. Further arrangements for the CGP are regulated in the charter (chater) and/or Management Policy (Corporate Management Policy) which is determined jointly by the Board of Directors and the Board of Commissioners, the Board of Commissioners, and/or by the Board of Directors.
2. All members of the Board of Commissioners, Directors and Employees of the Company are responsible for the implementation of this CGP.
3. The Company will carry out socialization, implementation and evaluation of CGP on an ongoing basis.

Saya, **FATCHUROZAK**, Penerjemah Tersumpah di Republik Indonesia berdasarkan peraturan perundang-undangan yang berlaku di Republik Indonesia, dengan ini menerangkan dan menyatakan, sesuai dengan sumpah jabatan saya, bahwa dokumen ini merupakan terjemahan yang benar, setia, dan lengkap dari dokumen sumber yang diberikan kepada saya.
Jakarta, 22 Januari 2024
FATCHUROZAK
Penerjemah Tersumpah [Bahasa Indonesia ke Bahasa Inggris dan Bahasa Inggris ke Bahasa Indonesia]
Surat Keputusan Menteri Hukum dan Hak Asasi Manusia Republik Indonesia
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I, **FATCHUROZAK**, Sworn translator in the Republic of Indonesia by virtue of the applicable laws and regulations in the Republic of Indonesia, hereby state and declare, under my oath of office, that the foregoing document is a true, faithful and correct English translation of the source document in Indonesian language presented to me.

