



**CHARTER OF
THE BOARD OF COMMISSIONERS
PT ADARO MINERALS INDONESIA Tbk**

CHAPTER 1 INTRODUCTION

1.1. Foreword

PT Adaro Minerals Indonesia Tbk (the “**Company**”) is a publicly listed company established on September 25th, 2007 based on the Notarial Deed of Dwi Yulianti, S.H. number 9 of September 25th 2007. On January 3rd, 2022, the company was registered on Indonesia Stock Exchange based on FSA’s (Financial Services Authority’s) letter number S-239/D.04/2021 regarding the Notification of the Effectiveness of Registration Statement. Being a publicly listed company, the Company must carry out business activities by complying with all the applicable regulatory requirements, including the provisions on capital market.

The Board of Directors (“**BoD**”) manages the Company under BoC’s supervision based on the Company’s goals and objectives. BoC as a company organ conducts supervision on the management policies, general implementation regarding both the Company and the Company’s business, and provide advice for BoD. The supervision and advice are given for the Company’s best interest and based on the Company’s goals and objectives as set forth in the Company’s articles of association (“**the Articles of Association**”) and Law number 40 of 2007 on Limited Liability Company (“**Limited Liability Company Law**”) in order for the Company’s management to be implemented in accordance with the Articles of Association, the applicable laws and regulations and the principles of Good Corporate Governance (“**GCG**”), which implementation consists of transparency, accountability, responsibility, independency, and fairness, and the standards of ethics and Company values.

In carrying out duties, responsibilities, and authority, BoC needs implementation guidelines (“**BoC Charter**”) to ensure these three elements are effectively performed to meet the interests of the Company’s shareholders and other stakeholders. BoC Charter is a company document conveying the commitment of and serving as the guidelines for the BoC for implementing GCG. Based on the charter, in performing duties, BoC is expected to always prioritize GCG based on the Company’s ethical standard and values, and comply with the Articles of Association and all applicable laws and regulations, in order to achieve the Company’s vision, mission and strategic plans for the Company to reach its goals and objectives.

1.2. BoC Vision and Mission and Company Values

1.2.1. BoC Vision

To be a competent, professional, qualified supervising organ for the Company, and continuously apply the company values for the Company and its subsidiaries to become a leading mining and energy group of companies.

1.2.2. BoC Mission

To carry out a supervisory function on BoD in accordance with GCG principles and prioritize the Company's interests above all other interests in order to achieve the Company's vision and missions.

1.2.3. Company Values

to uphold the Company's values of integrity, meritocracy, openness, respect, excellence, and other values as applied from time to time.

1.3. Objective

This BoC Charter complements the Articles of Association and the applicable laws and regulations which set forth the provisions for the BoC of limited liability companies and serves as BoC guidelines in carrying out duties, responsibilities and authority in accordance with GCG principles.

1.4. Legal Framework

This BoC Charter is constructed based on the provisions applicable to and binding the Company:

- a. Law number 40 of 2007 on Limited Liability Company;
- b. Law number 8 of 1995 on Capital Market;
- c. Regulation of Financial Services Authority number 33/POJK.04/2014 on Issuers or Public Companies' Board of Directors and Board of Commissioners;
- d. Regulation of Financial Services Authority number 34/POJK.04/2014 on Issuers or Public Companies' Nomination and Remuneration Committee;
- e. Regulation of Financial Services Authority number 21/POJK.04/2015 on the Implementation of Public Companies' Corporate Governance Guidelines;
- f. Regulation of Financial Services Authority number 29/POJK.04/2016 on Issuers' or Public Companies' Annual Report;

- g. Regulation of Financial Services Authority number 11/POJK.04/2017 on Reports on the Ownership or Each Amendment to Ownership in Public Companies' Shares;
- h. Regulation of Financial Services Authority number 15/POJK.04/2020 on the Plan and Implementation of General Meetings of Shareholders by Public Companies;
- i. Regulation of Financial Services Authority number 17/POJK.04/2020 on Material Transactions and Changes in Business Activities;
- j. Regulation of Financial Services Authority number 42/POJK.04/2020 on Affiliated Party Transactions and Conflict of Interest Transactions
- k. Regulation of Financial Services Authority number 3/POJK.04/2021 on the Implementation of Capital Market Activities;
- l. Regulation of Financial Services Authority number 23/POJK.04/2021 on Follow-up Supervision in Capital Market
- m. Circular Letter of Financial Services Authority number 32/POJK.04/2015 on Governance Guidelines for Public Companies; and
- n. Circular Letter of Financial Services Authority number 16/POJK.04/2021 on the Format and Content of Issuers or Public Companies' Annual Reports; as amended and/or replaced from time to time.

CHAPTER 2

ORGANIZATIONAL STRUCTURE AND MEMBERSHIP REQUIREMENTS

2.1. Organizational Structure

2.1.1. Number and Composition of BoC Members

The number and composition of BoC members are set forth as follows:

- a. BoC must consist of at least 2 (two) members appointed in the General Meeting of Shareholders (“GMS”) with its composition consisting of a President Commissioner and a Commissioner. Recommendations for the composition of the positions of BoC members are made by the Company’s Nomination and Remuneration Committee (whose functions are carried out by BoC prior to its formation) and proposed to BoC.
- b. The Company must have (an) Independent Commissioner(s), or BoC member(s) external to the Company.

2.1.2. Independent Commissioners

- a. Requirements for Independent Commissioners are as follows:
 - (1) are not an individual who has worked or has had the authority and responsibility to plan, lead, control or supervise the activities of the Company within the last 6 (six) months;
 - (2) do not directly or indirectly have share ownership in the Company;
 - (3) do not have any affiliated relationship with the Company, (a) member(s) of its BoD, (a) member(s) of its BoC, or majority shareholders; and
 - (4) do not have any business relationship, which is directly or indirectly associated with the business activities of the Company.
- b. The Company is required to have Independent Commissioners whose number must constitute at least 30% (thirty percent) of the total number of BoC members.
- c. The Audit Committee and the Committee of Nomination and Remuneration must be chaired by an Independent Commissioner.

2.1.3. BoC Term of Office

BoC term of office is set forth as follows:

- a. BoC members are appointed by GMS for a period from the date determined in the GMS in which they are appointed until the closure of the fifth annual GMS from the

date of their appointment, without prejudice to GMS's rights to terminate them at any time.

- b. Each BoC member may be reappointed for the subsequent term.
- c. Independent Commissioners who have served for 2 (two) terms of office may be reappointed for the subsequent term provided that they declare to GMS that they remain independent.
- d. In the event that Independent Commissioners hold a position in the Audit Committee, they may only be reappointed for the Audit Committee for 1 (one) subsequent term of office of Audit Committee.

2.1.4. BoC Appointment

BoC appointment is set forth as follows:

- a. BoC members are appointed by GMS.
- b. BoC members may be nominated by 1 (one) or more shareholders collectively holding at least 10% (ten per cent) of total shares with valid voting rights and the nomination must have been received by BoD within 7 (seven) days prior to GMS date, unless determined otherwise by the applicable laws and regulations or by shareholders' consensus.
- c. Recommendations for policies and criteria for the process to nominate an individual to be a BoC member and recommendations for the nomination of a candidate who fulfil the requirements to be a BoC member shall be compiled by the Nomination and Remuneration Committee (whose functions are carried out by BoC prior to its formation) and submitted to BoC.
- d. In the event that due to any reason the position of one or more or all BoC members are vacant, a GMS must be held within 6 (six) months since the start of the vacancy, to fill the vacancy, subject to the provisions in the Articles of Association and the laws and regulations.
- e. An individual appointed to replace a BoC member who has been terminated or to fill the vacancy or an individual appointed as an additional member of the existing BoC must be appointed for a term representing the remaining term of office of other BoC members who remain.

2.1.5. Termination of BoC Terms of Office

Termination of BoC Terms of Office is set forth as follows:

- a. BoC members are terminated from their position if they:
 - (1) Resign;
 - (2) No longer fulfil the requirements of the applicable laws and regulations;
 - (3) Pass away;
 - (4) Have reached the end of the term of office; and
 - (5) Are terminated based on a GMS decision.
- b. BoC members have the right to resign from their position prior to the expiration of their term of office by submitting a written notification on such intention to the Company at the latest within 60 (sixty) days prior to the resignation date. The Company must hold a GMS to decide on the proposal of the BoC members for resignation within 90 (ninety) days since the resignation letter is received.
- c. In the event that the Company does not hold the GMS within such 90 (ninety) days, upon expiration of this time limit the resignation of the BoC member is considered valid without requiring GMS approval.

2.2. Membership Requirements

2.2.1. Legal Requirements

At the appointment and during the term of office, BoC members must fulfil the following:

- a. Possess good character, moral and integrity;
- b. Are legally competent;
- c. Within 5 (five) years prior to the appointment and during the term of office:
 - (1) Never been declared bankrupt;
 - (2) Never been a member of BoD and/or BoC declared guilty for causing a company to be declared bankrupt;
 - (3) Never been convicted for any criminal act causing damage to the country and/or related to the financial sector; and
 - (4) Never held any position as a BoD / BoC member who, during the term of office has a record of:
 - a) Failing to conduct annual GMS;
 - b) Having the accountability as a member of the Board of Directors and/or Board of Commissioners denied by the GMS or failing to submit accountability as a BoD and/or BoC member to GMS; and

- c) Causing a company which had obtained the license and approval from, or registration at the Financial Services Authority to fail the obligation to submit an annual report and/or financial statements to the Financial Services Authority.
- d. Are committed to complying with the laws and regulations; and
- e. Possess the knowledge and/or skills needed by the Company.

2.2.2. Requirements on Competence and Independence

At the appointment and during the term of office, BoC members must fulfil the following requirements:

- a. Demonstrate to have good behavior, experience and competence necessary for performing duties and other qualifications as determined in the applicable laws and regulations and the Articles of Association;
- b. Are appointed based on the consideration of skills, integrity, leadership, experience, honesty, good behavior, and strong dedication to improve and develop the Company;
- c. Have good understanding of the regulations applicable to limited liability companies, capital market, Indonesia Stock Exchange, regulations relevant to the Company's business, and the Articles of Association; and
- d. Carry out duties without conflicts of interests.

2.3. Multiple Positions

BoC members may hold multiple positions as:

- a. A BoD member of maximum 2 (two) other issuers or public companies; and
- b. A BoC member of maximum 2 (two) other issuers or other public companies.

BoC members who do not hold (an) other position(s) as a BoD member may hold multiple positions as a BoC member of maximum 4 (four) other issuers or public companies.

BoC members may also hold other positions as a committee member of maximum 5 (five) committees or public companies where they also hold a position as a BoD or BoC member.

BoC members may hold multiple positions provided that it does not violate the provisions of other laws and regulations.

2.4. BoC Members Orientation Program

Each BoC member newly appointed by GMS shall attend an orientation program determined by BoC to gain more familiarity with BoC duties, responsibilities and authority in a public company based on the applicable laws and regulations and the Company's Articles of Association, and better understanding of the Company's business operations. BoC members who attend the orientation program may visit the business operations in the Company's operational areas in person.

2.5. Continuous Learning

Each BoC member must continuously develop knowledge and skills through educational programs, courses, training, or seminars relevant to the implementation of BoC duties and responsibilities as well as other fields relevant to the Company's business.

CHAPTER 3

DUTIES, AUTHORITIES AND RESPONSIBILITIES

3.1. Duties, Authorities and Responsibilities

BoC is a Company organ which has the full authority and responsibility to conduct supervision on the management policies, general implementation of the management of both the Company and the Company's business, and to provide advice for the BoD.

In performing such supervisory role, BoC members may, at any time and office hours of the Company, enter the Company's premises or other places used or controlled by the Company and holds the right to check all the book-keeping records, letters and other proofs of evidence, check and match cash positions and other matters and know all actions performed by the BoD. On all matters stated by BoC, BoD and each BoD member must provide explanation on the matters of concern.

All BoC members must comply with all provisions and perform duties with integrity, good faith, responsibility, and prudence through the implementation of risk management and good corporate governance, professionalism, and information disclosure, in accordance with the provisions of the Articles of Association, the applicable laws and regulations, and BoC Charter and its amendments, and must always place the Company's best interest above all other interests and monitor the effectiveness of the implementation of GCG principles by the Company and makes necessary adjustments on such.

In certain conditions, BoC must conduct annual GMS and other GMS as set forth in the Article of Association and applicable laws and regulations. In order to support the effectiveness of carrying out their duties and responsibilities, the BoC is required to form Audit Committee and may form other committees. The performance of these committees must be evaluated by the BoC at the end of each financial year.

BoC members must prepare the minutes of BoC meetings and keep the copies, report to the Company on their and their family's ownership of the Company's or other companies' shares, and provide reports on the supervisory roles they have carried out in the last fiscal year to GMS.

Each BoC member is personally fully responsible for the loss incurred by the Company's if they are guilty or negligent in performing duties. If BoC consists of 2 (two)

or more members, these members are jointly and severally liable for the loss incurred by the Company.

However, BoC is not responsible for the Company's loss if they can prove that:

- a. The loss is not the result of their fault or negligence;
- b. They have carried out management under good faith, responsibility and prudence, for the Company's interest and according to the Company's goals and objectives;
- c. They do not have any conflict of interest directly or indirectly on the management which has led to the loss; and
- d. They have taken the action to prevent the occurrence or continuation of the loss.

3.2. The Scope of Company Management

BoC may handle the management of the Company in certain condition and for certain period of time as determined by the Company's Articles of Association or GMS. BoC is mandated to conduct the management of the Company on a temporary basis in the event that all BoD members are temporarily terminated or the Company does not have any one member of the BoD. In this event, BoC holds the right to delegate temporary authority to one or more BoC members under the BoC responsibility.

The Board of Commissioners also have the authority to temporarily suspend members of the Board of Directors by stating the reasons.

In the event where there is only one BoC member, all duties and authority delegated to President Commissioner or BoC members in the Articles of Association are applicable to him/her.

In the implementation of their duties and responsibilities, each BoC member shall conduct regular assessment on BoC performance. The mechanism and criteria of the performance is determined collectively by BoC members. With such assessment, each BoC member is expected to contribute to the continuous improvement of BoC performance.

3.3. Office Hours

BoC shall work within normal work hours on the days other than the days determined by the government as national holidays.

3.4. Internal Audit

BoC is committed to ensuring that the Company's internal monitoring system runs effectively and efficiently, covers all operational aspects, and is in accordance with the applicable laws and regulations. To ensure that all operating units of the Company work according to the operational procedures, Internal Audit must prepare and submit the audit reports of the Internal Audit team to BoD, BoC and Audit Committee.

3.5. The Relationship between BoD and BoC

The relationship between BoD and BoC is as follows:

- a. BoD must provide BoC with information and full access to information, especially the information relevant to the decision making by BoC. BoD meetings with BoC are necessary to gain thorough and common understanding between BoD and BoC.
- b. BoD and BoC must sign the Company's annual reports.
- c. BoD must provide all material information needed by BoC. The minutes of BoD meetings must be provided to BoC if BoC views that such documents are important for BoC's supervisory role.
- d. BoC must conduct joint meetings with BoD regularly, at least 1 (once) in 4 (four) months.

3.6. Business Ethics

Business ethics are the standard ethics and Company values, which must be upheld and complied with by BoD, BoC, Audit Committee and all employees in performing duties and responsibilities in the Company ("**Code of Conduct**").

BoC must be the role model for all employees in complying with the Code of Conduct, with regard to but not limited to the following:

a. Information disclosure

All interactions with the media and general public must be comply with the Company's policies and other relevant policies. BoC members must maintain the Company's confidentiality, confidential information and intellectual assets.

b. Ethical business conduct and anti-corruption

BoC members must not take personal gain from the Company's activities other than receiving the salary and allowances to which they are entitled as a BoC member and must comply with the applicable anti-corruption laws and regulations.

c. Conflict of interest

Conflict of interest is the conflict between the Company's economic interest and the personal economic interest of the members of BoD, BoC, and the Company's major or controlling shareholders, which may disserve the Company's interest.

Each BoC member must report all potential conflicts of interest (if any) to all other BoC members immediately after they identify such potential conflicts of interest. In the event of any conflict of interest, the Commissioner of concern does not have the voting right to make decisions on the matters associated with the transactions containing the conflict of interest.

d. Insider Information

BoC must prohibit or prevent any misuse of material information associated with the Company's business for personal or third-party interests.

e. Rules on sales of shares

BoC must not sell or buy the Company's shares before the information on operational results, financial statements and annual report are shared with the public.

In the event that the information is associated with corporate actions such as asset acquisition, establishment of joint venture, increase/decrease of capital, issuance of securities, share buyback, dividend payment, or incidents that affect the share price, BoC must not buy/sell the shares of the Company and/or the company with whom the Company is to conduct a transaction from the time the information is known until the time the information is shared with the public.

Each BoC member must report to the Company on their ownership and change of their ownership on the Company's shares within 3 (three) business days since the occurrence of the ownership or change of ownership on the Company's shares.

Subsequently, each BoC member must report to the Financial Services Authority on the ownership and each change of their ownership on the Company's shares, whether directly or indirectly, at the latest within 10 (ten) days after the occurrence of such ownership or change in the ownership on the Company's shares.

3.7. Accountability

BoC must be accountable for and submit reports to the GMS on the supervisory duties performed during the last fiscal year.

3.8. Remuneration

Remuneration for BoC members is set forth as follows:

- a. GMS may delegate the authority to determine remuneration for BoC members to the Nomination and Remuneration Committee, whose functions are carried out by BoC. BoC remuneration will be determined in BoC meetings.
- b. Whenever necessary, BoC may establish a nomination and remuneration committee to perform such role.
- c. BoC may assign 1 (one) or more of its members to prepare recommendations, which include the structure, policy and amount of BoC remuneration from time to time.
- d. The determination of the structure, policy and amount of BoC remuneration must consider the following:
 - 1) The remuneration applied by other companies with business activities and scale similar to the Company's;
 - 2) The duties, responsibilities and authority of BoC members, which are associated with the achievement of the Company's objectives and performance;
 - 3) The performance target or the performance of each BoC member; and
 - 4) The balance between the fixed and variable allowances.
- e. The structure, policies, and amount of BoC remuneration must be evaluated by the BoC at least once in a year.

CHAPTER 4

MEETINGS AND REPORTING

4.1. Meetings

BoC meetings are managed as follows:

- a. BoC must hold BoC meetings regularly, at least 1 (once) in 2 (two) months to discuss the matters deemed necessary by BoC members either with or without a prior meeting invitation.
- b. The invitation to BoC meetings is made by an authorized BoC member, or a person designated to do so, to act for and on behalf of BoC. In the event that such BoC member does not make any invitation within 3 (three) days since the request is made or since the expiration of the time limit scheduled for BoC meeting, the invitation will be made by another BoC member, or the person who is particularly designated to do. The invitation to BoC meeting must be made in writing or using an electronic medium at the latest within 3 (three) days prior to the implementation of the meeting, by not taking into account the invitation date and the meeting date. The meeting invitation must specify the day, date, time, venue, and agenda, except for a meeting to discuss a matter considered necessary or urgent.
- c. BoC meetings can be held at any time whenever deemed necessary by one or more BoC members, or on a written request of one or more shareholders who collectively hold 1/10 (one tenth) or more of the total shares with valid voting rights.
- d. Regarding the attendance in the meeting, all BoC members are expected to attend every BoC meeting. In the event of unavailability to attend, one BoC member may be represented in BoC meeting only by one other BoC member with a delegation of power of attorney and one BoC member may only represent one other BoC member.
- e. BoC meetings are valid and qualified to make a binding resolution under the condition that more than ½ (one half) of the number of current BoC members attend or are represented in the meetings.
- f. BoC meetings are chaired by President Commissioner. In the event that President Commissioner is unable to attend for a reason not needing to be proven to any third party, the meetings are chaired by a BoC member.
- g. The decisions of BoC meetings must be made based on deliberation for a consensus. In the event that deliberation is not reached, decisions are made by

voting under the condition that the votes to approve must comprise at least more than ½ (one half) of the number of valid votes made in the meetings.

- h. Each BoC member in attendance is entitled to 1 (one) vote and 1 (one) additional vote for another BoC member she/he represents.
- i. Voting on individuals is made by secret ballots without signatures while voting for other matters is made verbally, unless the chair of the meeting decides otherwise without any objection based on majority votes.
- j. Abstain or invalid votes are deemed not validly made and nonexistent and not counted in the total votes.
- k. BoC can also make valid decisions without conducting a BoC meeting, under the condition that all BoC members have been notified in writing and all of them provide their approval for the proposal which is submitted in writing by signing the approval. The decisions have the same legal force as the decisions made in BoC meetings.
- l. BoC must prepare the minutes of BoC meeting and may assign a person who is not a BoC member to act as the meeting secretary and keep the copies. The meeting secretary must record the reports along the meeting and circulate the records after the meeting for BoC review and approval in the subsequent meeting. All reports which have been approved by BoC must be filed in a book of the minutes of BoC meetings made available particularly for this purpose.
- m. The minutes of BoC meetings must be signed by all BoC members in attendance, and circulated to all BoC members. If there is any BoC member who does not sign the minutes, such member must explain the reason in writing in a separate letter attached to the minutes of meeting.
- n. Each BoC member must attend at least 50% (fifty per cent) of the total number of BoC meetings held within 1 (one) year, except in the event of unavailability due to a valid reason.

4.2. Reporting

The report on BoC's activities and the Company's performance in each fiscal year must be included in the Company's Annual Report and submitted to GMS for approval.

CHAPTER 5 CLOSURE

5.1. **Effective Date**

This BoC Charter is effective as of December 26th, 2022.

5.2. **BoC Approval**

By signing this BoC Charter, each BoC member accepts and agrees with the content hereof and must fulfill the provisions herein.

5.3. **Amendments to BoC Charter**

Any amendment to BoC Charter must obtain a written approval from BoC.

5.4. **Conflicts**

In the event of any conflict between this BoC Charter and the Articles of Association or the applicable laws and regulations, the provisions of the Articles of Association or the laws and regulations shall prevail.

5.5. **Review Date**

This BoC Charter will be reviewed periodically, at the latest every 3 (three) years or at any time considered necessary by taking into account the laws and regulations applied in the Republic of Indonesia, under the following conditions:

- a. Each material revision needs a BoC recommendation to obtain the approval of BoC;
- b. Each non material revision which does not reduce the standard of risk management must obtain the approval of the Board of Directors with a notification delivered to BoC.

5.6. Split Execution

This BoC Charter can be signed by split execution whereby each signed document is deemed valid as one whole authentic document, and all the signatures combined will be treated and valid as one whole document.

[Signatures are provided on the following page.]

Enacted in Jakarta
on December 26th, 2022

The Board of Commissioners of PT Adaro Minerals Indonesia Tbk



Garibaldi Thohir
President Commissioner



Chia Ah Hoo
Commissioner



Mohammad Syah Indra Aman
Commissioner



Lie Luckman
Commissioner



Mohammad Effendi
Independent Commissioner



Budi Bowoleksono
Independent Commissioner