

# **CHARTER OF BOARD OF COMMISSIONERS OF PT GOLDEN ENERGY MINES Tbk (the “Company”)**

The Board of Commissioners Guidelines and Code of Conduct is prepared in order to enhance good corporate governance practice, which, in turn, will increase public trust and provide added value to the Company.

## **1. Legal Basis of the Board of Commissioners Guidelines and Code of Conduct**

- a) Law No. 40 Year 2007 concerning to Limited Liability Company;
- b) The Financial Services Authority’ Regulation Number 33/POJK.04/2014 concerning to the Board of Directors and Board of Commissioners of the Issuer or Public Company;
- c) The Financial Services Authority’ Regulation Number 34/POJK.04/2014 concerning to Nomination and Remuneration Committee of Issuers or Public Company;
- d) Article of Association of Company.

## **2. Board Of Commissioners Composition and Criteria**

- a) The Board of Commissioners consists of 6 (six) members.
- b) The Board of Commissioners is chaired by the President Commissioner, assisted by a Vice President Commissioner and four (4) members of the Board of Commissioners.
- c) The Board of Commissioners shall consists the Independent Commissioner, in which, Independent Commissioner shall constitute at least 30% (thirty percent) of the total member of the Board of Commissioners.
- d) The Independent Commissioner is an outsider member of the Board of Commissioners from outside of the Issuer or Public Company and fulfill the requirements as an Independent Commissioner as defined in the prevailing Regulation .
- e) Specifically for Independent Commissioners, during his or her term in the Company he or she shall also be subject to the following requirements :
  - i. He or she is not a person who works or has the authority and responsibility to plan, lead, control or supervise the activity of the Company during the last 6 (six) months, except for the re-appointment of Independent Commissioner for the next term;
  - ii. Do not have any shares directly or indirectly in the Company;
  - iii. Do not have any affiliated relationship with the Company, members of the Board of Commissioners, members of the Board of Directors or major shareholders of such Company; and
  - iv. Do not have any business relationship, directly or indirectly which relate to the business activity of the Company.

- f) Member of Independent Commissioners might be re-appointed as long as they remain independent and obtain approval from the General Meeting of Shareholders (“GMS”).

### **3. Appointment, Termination, and Tenure of the Board of Commissioners**

- a) A Member of the Board of Commissioners is appointed by GMS for a period commencing on the date set out in the GMS which appoint such member of the Board of Commissioners until the closing of the 5<sup>th</sup> (fifth) Annual GMS which will be held after the GMS that appointed such members of the Board of Commissioners.
- b) A member of Board of Commissioners whose tenure has ended may be reappointed subject to the approval from the GMS.
- c) GMS is entitled to dismiss any member of the Board of Commissioners at any time prior to the end of his tenure.
- d) A member of the Board of Commissioners is entitled to resign from his or her position subject to the provisions of the Articles of Association of the Company.
- e) The tenure of member of Board of Commissioners ends automatically, if:
  - i. He or she declared bankrupt or put under guardianship pursuant to a court order; or
  - ii. He or she is no longer qualified pursuant to the laws and regulations; or
  - iii. Decease; or
  - iv. is dismissed by virtue of a resolution passed in a GMS ; or
  - v. Resigns pursuant to the provision of the Company’s Articles of Association; or
  - vi. His or her term of office is ended.
- f) The procedure for the appointment, replacement, termination, or resignation of a member of the Board of Commissioners could be found in the Articles of Association of the Company.
- g) The proposal of appointment, termination and/or replacement of member of the Board of Commissioners to GMS shall have considered the recommendations from the Board of Commissioners meetings with nomination agenda. In the event member of the Board of Commissioners has conflict of interest with the recommended proposals, such conflict of interest must be disclosed.

### **4. Concurrent Positions of Member of the Board of Commissioners**

- a) Member of Board of Commissioners may serves double positions in other companies subject to applicable regulations, including the provisions of the Company’s Articles of Association.
- b) Member of the Board of Commissioners may serves double positions as:
  - a. member of Board of Directors at most on two (2) Issuer or any other Public Company; and
  - b. Member of Board of Commissioners at most on two (2) Issuer or any other Public Company.

- c) In the event a member of Board of Commissioners does not serve double positions as member of Board of Directors, a member of Board of Commissioners can serve double positions as member of Board of Commissioners at most on 4 (four) other Issuer or Public Companies.
- d) Member of the Board of Commissioners may serves as committee member at most on 5 (five) other companies, where he or she also serves as member of Board of Directors or Board of Commissioners.
- e) In the event of Independent Commissioner also served as the Audit Committee, then such Independent Commissioner shall only eligible to be reappointed as the Audit Committee for another one (1) period for the Audit Committee Position.
- f) Excluded from the above mentioned concurrent position is where a member of Board of Commissioners responsible for supervision of investment in Company's subsidiaries, serve as member of Board of Commissioners or member of Board of Directors at subsidiary controlled by the Company, as long as that double position does not result in the ignorance of the duties and responsibilities as the member of Board of Commissioners of the Company.

#### **5. Duties and Responsibilities of the Board of Commissioners**

- a) The Board of Commissioners shall carry out their duties, responsibilities, and authorities independently and in good faith, so that the resolutions can be made objectively and free from of conflicts of interests and support the interests of the Company.
- b) The Board of Commissioners in carrying out their responsibilities and authorities shall refer to the Company's Code of Ethics, Guidelines and Code of Conduct of the Board of Commissioners of the Company, the Articles of Association, as well as the existing laws.
- c) The Board of Commissioners shall guide, supervise, and evaluate the implementation of Company's strategic policies and also supervise the implementation of the duties and responsibilities of the Board of Directors and give advice to the Board of Directors.
- d) The Board of Commissioners must supervise the implementation of good corporate governance in any business activities of the Company at any levels of the organization.
- e) The Board of Commissioners shall ensure that the audit findings and recommendations from Audit Committee, Internal Auditor, External Auditor, and/or the supervisory notice from capital market authority is followed up by the Board of Directors.
- f) The Board of Commissioners shall establish at least the Audit Committee. If the Board of Commissioners does not establish Nomination Committee and Remuneration Committee, the Board of Commissioners must perform nomination and remuneration committee functions.
- g) The Board of Commissioners shall ensure that the established committees perform their duties effectively.
- h) The member(s) of the Board of Commissioners, either jointly or individually, at any time during working hours of the Company is entitled to enter the building or other places utilized or controlled by the Company and is entitled to inspect all books, letters and other documents, check and to verify the cash position and any other things as well as entitled to know all actions carried out by the Board of Directors.

- i) The Board of Commissioners may ask the Board of Directors, each member(s) of the Board of Directors, and management to provide an explanation regarding any aspects of the Company as required by the Board of Commissioners in order to perform their duties.
- j) The Board of Commissioners may propose replacement and/or appointment of member(s) of the Board of Directors to the GMS with regard to the recommendation made in Board of Commissioners meetings with nomination agenda.
- k) The Board of Commissioners may temporarily terminate at any time one or more members of the Board of Directors, in the event such member(s) acts against the Articles of Association of the Company, harm the Company, abandon their duties and/or violate the applicable regulations. The procedure for the above mentioned temporary termination refers to the Articles of Association of the Company.
- l) The Board of Commissioners shall prepare minutes of Board of Commissioner meetings and keeps the copy and provide reports regarding to supervisory duties that have been conducted during the past fiscal year to the GMS.
- m) In running its duties, responsibilities, and authorities, the Board of Commissioners must adopt the Company' values, i.e. innovation, continuous improvement, commitment, integrity, positive attitude, and loyalty.

**6. Meeting of Board of Commissioners**

- a) Meetings of Board of Commissioners shall be held regularly at least 1 (one) time in 2 (two) months.
- b) In the case of members of the Board of Commissioners cannot physically attend a meeting, He/She can authorize the other members of the Board of Commissioners to represent him/her.
- c) Decision-making in the meeting of the Board of Commissioners is based on consensus.
- d) In the event that does not happen consensus, decisions made by a majority vote with regard to the provisions stipulated in the Articles of Association of Company.
- e) The Board of Commissioners may also take legal decisions without convening meeting of the Board of Commissioners, if the Board of Commissioners has been notified in writing, and give its approval concerning the submitted proposal and signed the agreement. The decisions taken in this way has the same power as a legitimate decision taken by the Board of Commissioners.
- f) All decisions taken by the Board of Commissioners shall be binding and is the responsibility of all members of the Board of Commissioners.
- g) The results of Board of Commissioners meetings shall be set within minutes of meeting signed by all members of the Board of Commissioners present, well documented, and distributed to all members of the Board of Commissioners. Dissent (dissenting opinions) that occurs in the meeting of the Board of Commissioners shall be clearly stated in the Minutes of Meeting and the reasons for such dissent.

**7. Approval of Board of Commissioners**

- a) The Board of Commissioners may grant approval to the Board of Directors to perform certain actions with regard to the provisions stipulated in the Articles of Association of Company.
- b) If the Board of Commissioners does not specify it in the meeting of the Board of Commissioners, the Board may grant approval by way of issuing Decree Letter of the Board of Commissioners, signed by all members of the Board of Commissioners.

**8. Transparency Aspect for Board of Commissioners**

- a) Member of the Board of Commissioners must report to the Company any transaction of the Company's share(s) owned by him or her within 2 (two) working days from the transaction date, except for the Independent Commissioner that is restricted to own the Company's share(s).
- b) Member of Board of Commissioners must also disclose shareholdings of 5% (five percent) or more of the paid-up capital, which includes the type and number of shares in another listed companies domiciled inside or outside the country.
- c) Member of the Board of Commissioners must report to the Corporate Secretary, his or her ownership and any change in the ownership of the shares of the Company and/or other Public Company within 2 (two) days after the occurrence of any change of share ownership, then the Corporate Secretary shall report it to the authorized institution pursuant to the prevailing rules.
- d) Members of the Board of Commissioners must disclose any affiliate relationship with other members of the Board of Commissioners, Board of Directors and/or controlling shareholders of the Company in the Company's Annual Report.

**9. The Prohibition for The Members of the Board of Commissioners**

- a) Members of the Board of Commissioners are prohibited from utilizing the Company for personal, family, and/or other parties interest that may harm or affect the Company's financial condition.
- b) Members of the Board of Commissioners are prohibited from taking and/or receive personal benefits from the Company in addition to remuneration and other facilities specified by the Company or the GMS.
- c) Members of the Board of Commissioners are prohibited from taking advantage from his or her knowledge of the Company that are not available in the market by way of insider trading and abusive self-dealing.

**10. Orientation Program for the Board of Commissioners**

- a) Orientation program for new members of the Board of Commissioners, is conducted to give direction to member of the Board of Commissioners in order to gain an understanding of the Company within a short time so that the new members of the Board of Commissioners can perform the duties as well as possible.

## Un-official translation

- b) Material of the orientation program of the Board of Commissioners member include, among others :
  - i. Vision and mission of the Company
  - ii. The values of the Company
  - iii. Code of Conduct of the Company
  - iv. Guidelines and Code of Conduct of the Board of Commissioners
  - v. Articles of Association of the Company
  - vi. Performance and financial condition of the Company in the latest financial statement
  - vii. Annual Report of the Company
  - viii. Relevant regulations in field of capital market (if needed)
  - ix. Minutes of Meeting of the Board of Commissioners and the Board of Directors within 1 (one) year (if needed)
  - x. Other relevant matter to the business of the Company.
- c) Member of the Board of Commissioners in orientation may:
  - i. Request a presentation to get an explanation on the various aspects that are necessary, involving the lower management;
  - ii. Hold meetings with the Board of Directors to discuss various issues of the Company or other information needed;
  - iii. Conduct visits to various locations of subsidiaries or branches of the Company.

### **11. Training Program for Board of Commissioners**

- a) A training program for members of the Board of Commissioners is essential that the Board of Commissioners may always update the information and insight and knowledge related to the Company's business, financial, economic, and others that support the implementation of the Board of Commissioners
- b) Members of the Board of Commissioners are advised to follow a training program of at least 1 (one) times a year in order to support the implementation of duties and responsibilities.

### **12. Ethics and Working time member of Board of Commissioners**

- a) Members of the Board of Commissioners shall carry out the duties and responsibilities independently.
- b) Members of the Board of Commissioners shall be subject to the **Company's Code of Ethics and Guidelines** and **Code of Conduct of the Board of Commissioner**.

Un-official translation

- c) Members of the Board of Commissioners shall not delegate oversight functions to the Board of Directors ;
- d) Members of the Board of Commissioners must provide sufficient time to carry out their duties and responsibilities to the Company optimally.

### **13. Reporting and Accountability of the Board of Commissioners**

Reporting and accountability for the performance of the Board of Commissioners for each year will be presented in the Annual Report of the Company to be approved at the AGM of the Company. Approval of the Company's Annual Report at the AGM of the Company signifies approval of the Board of Commissioners of the Company's performance in the financial year.

Jakarta, 8 December 2015

Board of Commissioners,

L. Krisnan Cahya  
President Commissioner

Avinash Ramakant Shah  
Vice President Commissioner

Jack Djaksahari Bujung  
Commissioner

Dr. Ir. Bambang Setiawan  
Independent Commissioner

Ketut Sanjaya  
Independent Commissioner

Prof. Dr. Ir. Irwandy Arif, M.Sc  
Independent Commissioner