



**NOMINATION AND
REMUNERATION COMMITTEE
CHARTER**

**Guideline for Nomination and
Remuneration Establishment
for The Board of
Commissioners and Director
by Good Corporate
Governance**

PT ELNUSA TBK

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CHAPTER I

INTRODUCTION

1.1 Background

To improve the application of the principle of Good Corporate Governance, PT Elnusa Tbk ("Company") as one of the Issuers is required to comply with the laws and regulations in the capital market sector that have been regulated. By the Financial Services Authority Regulation Number 34/POJK.04/2014 dated 8 December 2014 concerning the Nomination and Remuneration Committee of Issuers or Public Companies.

Issuers or Public companies are required to have a Nomination and Remuneration function where the implementation of this function must be carried out by the Board of Commissioners by forming a Nomination and Remuneration Committee ("Committee").

This is a form of transparency in the Nomination and Remuneration process as well as a form of improving the quality, competence, and responsibilities of the Board of Directors and the Board of Commissioners of the Company.

1.2 Purpose and Objectives

The Nomination and Remuneration Committee Charter aims to:

1. Assist the supervision of the Board of Commissioners
2. Provide limitations regarding the duties, responsibilities, and authorities of Committee Members.
3. Implement provisions related to the principles of Good Corporate Governance as determined by the Financial Services Authority.

1.3 Legal Basis

The regulation that forms the basis for the preparation of the Nomination and Remuneration Committee Charter are:

1. Law Number 40 of 2007 dated 16 August 2007 concerning Limited Liability Companies.
2. Law Number 21 of 2011 dated 22 November 2011 concerning the Financial Services Authority.
3. Financial Services Authority Regulation Number 34/POJK.04/2014 dated 8 December 2014 concerning the Nomination and Remuneration Committee of Issuers or Public Companies.
4. General Guidelines for Good Corporate Governance Indonesia 2006 from the National Committee on Governance Policy.

1.4 Definition

1. The Nomination and Remuneration Committee is a committee formed by and responsible to the Board of Commissioners in assisting the implementation of the functions and duties of the Board of Commissioners regarding the Nomination and Remuneration of Members of the Board of Directors and Members of the Board of Commissioners.
2. Nomination is a proposal for a person to be appointed to a position as a Member of the Board of Directors or a Member of the Board of Commissioners.
3. Remuneration is the compensation determined and given to Members of the Board of Directors and Members of the Board of Commissioners because of the position and role assigned according to the duties, responsibilities, and authorities of Members of the Board of Directors and Members of the Board of Commissioners.
4. A company or company with a capital letter P is PT Elnusa Tbk, while a company or company with a lowercase letter p refers to companies in general.
5. The Board of Directors is an organ of the Company that is authorized and fully responsible for managing the Company for the benefit of the Company, by the aims and objectives of the Company, and represents the Company, both inside and outside the court by the provisions of the articles of association.
6. The Board of Commissioners is an organ of the Company whose job is to carry out general and/or special supervision by the articles of association and provide advice to the Board of Directors

CHAPTER II

MEMBERSHIP

2.1 Membership Structure

1. Members of the Committee consist of at least 3 (three) members, namely:
 - a. The Chairman of the Committee concurrently serves as a member who is an Independent Commissioner and must meet the following requirements:
 - Does not own shares either directly or indirectly in the Company.
 - Does not have a direct or indirect business relationship related to the Company's business activities.
 - Not a person who works or has the authority and responsibility to plan, lead, control, or supervise this Company within 6 (six) months before being appointed by the Board of Commissioners.
 - Not having blood relation up to the 3rd degree, either in a straight line or sideways, or relationship arising from marriage with other members of the Board of Commissioners or with members of the Board of Directors.
 - b. Other Committee members may come from:
 - Member of the Board of Commissioners
 - Parties originating from outside the Company
 - Parties occupying managerial positions under the Board of Directors in charge of Human Resources
2. Most of the other Committee members as referred to in number 1 letter b above cannot come from parties holding managerial positions under the Board of Directors in charge of Human Resources.
3. Members of the Company's Board of Directors cannot become Committee Members.

2.2 Term of Office

1. Each Committee Member is appointed and dismissed based on the decision of the meeting of the Board of Commissioners.
2. The term of office of each Committee Member may not be longer than the term of office of the Board of Commissioners as stipulated in the Articles of Association, which is 3 (three) years from the date of appointment and ends at the closing of the Company's 3rd Annual General Meeting of Shareholders after the date of appointment.
3. Each Committee Member may be re-elected only for the next 1 (one) period.
4. Membership of the Committee may end at any time before the term of office ends by the Decision of the Board of Commissioners.

5. Replacement of Committee Members who are not from the Board of Commissioners is carried out no later than 60 (sixty) days after the said Committee Members are no longer able to carry out their functions.
6. The company is required to document the decisions on the appointment and dismissal of Committee Members.

2.3 Membership Requirements

2.3.1 General Requirements

1. Have integrity, dedication, ability, education, independence, and experience in the field of work, and be able to communicate orally and in writing all the results of implementation of their duties to the Board of Commissioners by applicable procedures.
2. Have sufficient knowledge to be able to understand the principles and process of determining the Nomination and Remuneration and be able to communicate the implementation of their duties and functions to the Board of Commissioners.
3. Have adequate knowledge of the Company's Articles of Association, laws, regulations, and other regulations related to the determination of Nomination and Remuneration.
4. Know about the Nomination and Remuneration applicable to the industry by the business activities of similar companies and the business scale of the company in its industry.
5. At least one of the Committee Members must have a background and competence in education or have expertise in the field of Human Resources.

2.3.2 Special Requirements

In addition to the general requirements mentioned above, specifically Committee Members who come from outside the Company must also meet the requirements, and should not have any affiliation with the Company, Members of the Board of Commissioners, Members of the Board of Directors, or major shareholders of the Company.

CHAPTER III

DUTIES AND RESPONSIBILITIES

The Nomination and Remuneration Committee has the duty and responsibility of assisting the Board of Commissioners in determining the Nomination and Remuneration of Company Management. Each Committee Member must act independently in implementing their duties.

3.1 Duties and Responsibilities

The Nomination and Remuneration Committee has at least the following duties and responsibilities:

3.1.1 Nomination Function:

1. Provide recommendations to the Board of Commissioners regarding:
 - a. Position composition of Members of the Board of Directors and/or Members of the Board of Commissioners.
 - b. The policies and criteria that are needed in the nomination process for candidates for members of the Board of Directors and/or members of the Board of Commissioners.
 - c. Performance evaluation policy for Members of the Board of Directors and/or Members of the Board of Commissioners.

(The flow of the nomination process for candidates for Members of the Board of Directors and/or Members of the Board of Commissioners is explained in Appendix 1 of this Committee Charter).

2. Assisting the Board of Commissioners in evaluating the performance of Members of the Board of Directors and/or Members of the Board of Commissioners based on benchmarks that have been prepared as evaluation material.
3. Provide recommendations to the Board of Commissioners regarding capacity-building programs for Members of the Board of Directors and/or Members of the Board of Commissioners.
4. Provide proposals for candidates who meet the requirements as Members of the Board of Directors and/or Members of the Board of Commissioners to be submitted to the General Meeting of Shareholders.

3.1.2 Remuneration Function:

1. Provide recommendations to the Board of Commissioners regarding:
 - a. Remuneration Structure for Members of the Board of Directors and/or Members of the Board of Commissioners.
 - b. Policy on Remuneration for Members of the Board of Directors and/or Members of the Board of Commissioners.
 - c. Amount of Remuneration for Members of the Board of Directors and/or Members of the Board of Commissioners.

(The remuneration process flow for Members of the Board of Directors and/or Board of Commissioners is contained in Appendix 2 of the Committee Charter).

2. Assist the Board of Commissioners in evaluating performance according to the remuneration received by each member of the Board of Directors and/or members of the Board of Commissioners.
3. The Remuneration Structure as referred to in letter a number 1 above can be in the form of:
 - a. Wages
 - b. Honorarium
 - c. Incentives and/or
 - d. Fixed and/or variable allowances
4. The preparation of the structure, policy, and amount of remuneration must pay attention to:
 - a. The remuneration that applies to the industry is in bye business activities of similar companies and the business scale of the company in its industry.
 - b. Duties, responsibilities, and authorities of Members of the Board of Directors and/or Members of the Board of Commissioners are related to achieving the goals and performance of the Company.
 - c. Performance targets or performance of each Member of the Board of Directors and/or Member of the Board of Commissioners.
 - d. The balance of allowances between fixed and variable.
5. The structure, policy, and amount of Remuneration as referred to in number 4 above must be evaluated by the Committee at least 1 (one) time in 1 (one) year.

3.2 Code of Confidentiality

1. Committee Members who are still or who have no longer served as Committee Members must maintain the confidentiality of company documents, data, and information obtained while serving as Committee Members, both from internal and external parties and are only used for their duties.
2. Committee members are prohibited from misusing important information relating to the interests of the Company for personal gain.
3. Committee members in implementing their duties and responsibilities must comply with the Company's Code of Ethics and are prohibited from taking personal advantage either directly or indirectly from the Company's activities other than honorarium and other facilities and benefits.

CHAPTER IV

MEETINGS, DISCLOSURES, AND REPORTING

4.1 Committee Meetings

1. Committee meetings are held regularly for at least 1 (one) time in 4 (four) months.
2. Committee meetings can only be held if:
 - a. Attended by a majority of the Committee Members
 - b. One of the majorities of the number of Committee Members referred to in letter a above is the Chairman of the Committee
3. Decisions at the Committee Meetings are made based on consensus deliberation.
4. In the terms of a decision based on deliberation for consensus is not reached, the decision is made based on the majority vote.
5. If a decision is made by way of voting, there are an equal number of votes, then the Chairman of the Meeting will decide.
6. If there is a difference of opinion in the decision-making process, the difference of opinion must be included in the minutes of the meeting along with the reasons for the difference of opinion.
7. The results of the committee meeting must be recorded in the minutes of the meeting and properly documented by the Company.
8. Minutes of committee meetings must be submitted in writing to the Board of Commissioners.

4.2 Disclosure and Reporting

1. The Committee submits reports on the implementation of duties, responsibilities, and procedures to the Board of Commissioners periodically at least 1 (once) a year or at the request of the Board of Commissioners.
2. The Committee's report forms part of the report on the implementation of the duties of the Board of Commissioners and is submitted at the General Meeting of Shareholders.
3. The implementation of the Committee's functions must be disclosed in the annual report and the Company's website, at least contain:
 - a. Statement that the Company has a Nomination and Remuneration Committee Charter.
 - b. A brief description of the implementation of the Committee's duties and responsibilities in the financial year.

CHAPTER V PROHIBITION

1. Committee members are prohibited from taking personal advantage either directly or indirectly from the Company other than legitimate income.
2. Members of the Board of Commissioners who become Chairmen or Members of the Committee are not given additional income other than income as Members of the Board of Commissioners.

CHAPTER VI

CLOSING

1. This Nomination and Remuneration Committee Charter will become effective after being approved by the Board of Commissioners.
2. This Nomination and Remuneration Committee Charter can be reviewed periodically for improvement or updating if deemed necessary by taking into the applicable laws and regulations.

Jakarta, January 11th 2023
Board of Commissioners
PT Elnusa Tbk

Chief Commissioner	Agus Prabowo	Signature
Independent Commissioner	Lusiaga Levi Susila	Signature
Independent Commissioner	Hernawan Bkti Sasongko	Signature
Commissioner	Wakhid Hasyim	Signature