

Guidance on Determination of Nomination
and Remuneration of Board of Commissioners
as well as Board of Directors according to
Good Corporate Governance

**NOMINATION AND
REMUNERATION COMMITTEE
CHARTER**

PT ELNUSA TBK



TABLE OF CONTENT

CHAPTER I INTRODUCTION	5
1.1 Background	5
1.2 Purposes and Objective	5
1.3 Legal Basis	5
1.4 Definition	5
CHAPTER II MEMBERSHIP	7
2.1 Structure of Membership	7
2.2 Term of Office	8
2.3 Membership Requirements	8
2.3.1 General Requirements	8
2.3.2 Special Requirements	8
CHAPTER III DUTIES AND RESPONSIBILITIES	9
3.1 Duties and Responsibilities	9
3.1.1 Function of Nomination	9
3.1.2 Function of Remuneration	9
3.2 Ethical Code of Confidentiality	10
CHAPTER IV MEETINGS AND REPORTING	11
4.1 Meetings	11
4.2 Reporting	11
CHAPTER V PROHIBITIONS	12
CHAPTER VI CLOSING	13
APPENDIX 1 NOMINATION PROCESS FLOW	13
APPENDIX 2 REMUNERATION PROCESS FLOW	13

CHAPTER I

INTRODUCTION

1.1 Background

In the event of improving the implementation of the principles of Good Corporate Governance, PT Elnusa Tbk (“Company”) as public listed company in Indonesia Stock Exchange must comply with prevailing laws and regulations in the capital market sector. In accordance with Decree of the Financial Institution Supervisory Agency (Otoritas Jasa Keuangan/OJK) No. 34/POJK.04/2014 dated December 8, 2014 regarding the Nomination and Remuneration Committee of the Issuer or Public Company.

Issuers or public company shall have Nomination and Remuneration Function whereby the implementation of these functions must be implemented by the Board of Commissioners to form Nomination and Remuneration Committee (the “Committee”).

This is form of transparency of the Nomination and Remuneration Committee as well as the form of increased the quality, competencies and responsibilities of the Board of Directors and Board of Commissioners.

1.2 Purposes and Objective

This Nomination and Remuneration Committee Charters’ objectives are:

1. To assist the Board of Commissioners in performing the supervisory
3. Membantu pengawasan Dewan Komisaris
4. 1.2.2 To deliver the duties, responsibilities and authority of the Committee members clearly..
8. 3 To implement the relevant provisions of the principles of Good Corporate Governance as determined by the Financial Services Authority Agencyprinsip Tata Kelola Perusahaan yang Baik.

1.3 Legal Basis

Legal basis of the Nomination and Remuneration Committee Charters’ are:

1. Law no. 40 Year 2007 dated August 16, 2007 concerning Limited Liability Company.mor
2. Law no. 21 Year 2011 dated November 22, 2011 concerning Financial Services Authority. mor
7. Decree of the Financial Institution Supervisory Agency (Otoritas Jasa Keuangan/OJK) No. 34/POJK.04/2014 dated December 8, 2014 regarding the Nomination and Remuneration Committee of the Issuer or Public Company.mor
10. General Guidance of Good Corporate Governance of the Republic of Indonesia Year 2006 issued by National Committee for Governance Policy (KNKG).

1.4 Definition

1. The Nomination and Remuneration Committee is a committee appointed by and responsible to the Board of Commissioners in assisting the Board of Commissioners in performing the supervisory, advisory duties and its functions according to the determination of Nomination and Remuneration of the Board of Directors as well as the Board of Commissioners.
4. Nomination is to propose a person to be appointed in the position as Member of the Board of Directors or Board of Commissioners.
6. Remuneration is determined and given to the Board of Directors as well as the Board of Commissioners for the position and role that is given in accordance with the duties, responsibilities and authority of the Board

of Directors and Board of Commissioners.

8. The Company written in capital letter "C", means PT Elnusa Tbk, while company written in small letter c shall refer to other companies in general. Perusahaan atau Perseroan dengan huruf P kapital adalah PT Elnusa Tbk, sedangkan perusahaan atau perseroan dengan huruf p kecil menunjuk kepada perusahaan secara umum.
9. 1.4.5 The Board of Directors is a Company's organ that is responsible on the Company's management, for the interest of the Company and to meet the objectives of the Company and shall also represent the Company both in and out of a court in accordance with the provisions contained in the Articles of Association.
12. 6 The Board of Commissioners is the organ that is in charge of supervising the Company in general and/or special accordance with the Articles of Association and providing advice to the Board of Directors.
16. 7 Independent Commissioner is a Member of the Board of Commissioners from outside the Company and qualified as Independent Commissioner.

CHAPTER II

BOARD OF DIRECTORS

2.1 Structure of Membership Struktur

1. Members of the Nomination and Remuneration Committee consist of at least 3 (three) members, namely:
 - a. The member of the Nomination and Remuneration Committee who is Independent Commissioner shall act as the Chairman of Nomination and Remuneration Committee and shall meet the following requirements:
 - Having no shares either directly or indirectly in the Company.
 - Has no business relationship either directly or indirectly related to the activities of the Company.
 - Are not working or having authority and responsibility for planning, directing, controlling, or supervising activities of the Company within the last six (6) months before being appointed by the Board of Commissioners.
 - Shall have neither blood familial relationship up to 3rd degree, both in vertical line and in horizontal line nor relationship that result from marriage with another member of the Board of Commissioners or with a member of the Board of Directors.
 - c. The other members of the Nomination and Remuneration Committee are:
 - Members of the Board of Commissioners
 - Those who are external parties of the Company
 - Parties who occupy managerial positions under the Board of Directors in charge of Human Resources
2. Other Committee members referred to in item number 1 letter b above could not be derived largely from those who occupy managerial positions under the Board of Directors in charge of Human Resources.
3. Members of the Board of Directors of the Company may not be members of the Committee.

2.2 Term of Office Masa Jabatan

1. The members of the Nomination and Remuneration Committee shall be appointed and dismissed by the Board of Commissioners.
2. The term of office for the members of the Nomination and Remuneration Committee must not be longer than the term of office of the Board of Commissioners as stipulated in Article of Association which is 3 (three) years starting from the date of appointment and ending up to 3 (three) times of the General Meeting of Shareholders of the Company after the date of appointment.
3. The members of the Nomination and Remuneration Committee can be re-appointed only for another 1 (one) period.
4. The membership of the Nomination and Remuneration Committee may be ended at any time before the term of office ends accordance with the Decision of the Board of Commissioners.
5. Replacement of the Nomination and Remuneration Committee members who are not from the Board of Commissioners made no later than 60 (sixty) days from the referred Nomination and Remuneration Committee members can no longer perform its function.
6. The Company shall document the decision of appointment and dismissal of members of the Risk Management Committee

2.3 Membership Requirements

2.3.1 General Requirements

1. Having integrity, dedication, ability, education, independency and experience to perform their supervisory duties and functions and able to communicate in writing the results of performance of duties and functions to the Board of Commissioners in accordance with the applicable procedures.
3. Having adequate knowledge to understand the principles and management process of the determination of Nomination and Remuneration as well as to communicate the result in writing to the Board of Commissioners.
5. Having adequate knowledge of the Article of Association of the Company, statutory regulations relative to the determination of Nomination and Remuneration.
8. Having adequate knowledge of the Nomination and Remuneration which is applicable in the similar industry/business of the Company and scale of business of the Company in its industry.
10. Sekurang-kurangnya salah satu Anggota Komite harus memiliki latar belakang dan kompetensi dalam pendidikan atau memiliki keahlian dalam bidang Sumber Daya Manusia.
12. At least one of members of the Nomination and Remuneration Committee must have educational background or expertise in the field of Human Resources.

2.3.2 Special Requirements

In addition to the general requirements mentioned above, particularly for members of the Committee who are external parties of the Company must also meet the requirements that are not affiliated with the Company, the members of the Board of Commissioners, the members of the Board of Directors or majority shareholders of the Company.

CHAPTER III

DUTIES AND RESPONSIBILITIES

The Nomination and Remuneration Committee shall be in charge of and responsible for assisting the Board of Commissioners in determining the Nomination and Remuneration for the Board. Each member of the Nomination and Remuneration Committee should act independently in performing their duties.

3.1 Duties and Responsibilities

The Nomination and Remuneration Committee has duties and responsibilities of at least:

3.1.1 Function of Nomination:

1. Providing recommendations to the Board of Commissioners concerning:
 - a. Position composition of the members of the Board of Directors and/or Board of Commissioners.
 - b. Policies and criteria required in the process of candidates nomination of the Board of Directors and/or Board of Commissioners.
 - c. Performance evaluation policy for members of the Board of Directors and/or Board of Commissioners. (Flow of nomination process for candidate of the member of the Board of Directors and/or Board of Commissioners stipulated in Appendix 1 of the Committee Charter).
2. Assisting the Board of Commissioners in evaluating the performance of the Board of Directors and/or Board of Commissioners based on criteria that have been prepared as an evaluation.
3. Providing recommendations to the Board of Commissioners concerning the development programs of the Board of Directors and/or Board of Commissioners.
4. Providing qualified candidates proposed as members of the Board of Directors and / or Board of Commissioners to the Board of Commissioners to be submitted to the General Meeting of Shareholders.

3.1.2 Function of Remuneration:

1. Providing recommendations to the Board of Commissioners concerning:
 - a. Remuneration Structure for members of the Board of Directors and / or Board of Commissioners.
 - b. Policy on Remuneration for members of the Board of Directors and / or Board of Commissioners.
 - c. Tier on Remuneration for members of the Board of Directors and / or Board of Commissioners. (Flow of remuneration process for the member of the Board of Directors and/or Board of Commissioners stipulated in Appendix 2 of the Committee Charter).
2. Assisting the Board of Commissioners in evaluating the performance of the Board of Directors and/or Board of Commissioners in related to the remuneration given to the Board of Directors and/or Board of Commissioners.
3. Remuneration structure as referred to in letter a number 1 above may include:
 - a. Salary
 - b. Honorarium
 - c. Incentives and / or
 - d. Allowances which are fixed and / or variable
4. Preparation of the structure, policy and the amount of remuneration should take consideration of:
 - a. Remuneration which is applicable in the similar industry/business of the Company and scale of business of the Company in its industry.
 - b. Duties, responsibilities and authority of the Board of Directors and / or Board of Commissioners in associated with the achievement of objectives and the performance of the Company.
 - c. Target performance of each Member of the Board of Directors and / or Board of Commissioners.
 - d. Allowance balance between the fixed and variable.
9. The structure, policies and amount of remuneration referred to in number 4 above should be evaluated by a committee of at least 1 (one) time in 1 (one) year.

3.2 Ethical Code of Confidentiality

1. Members of the Nomination and Remuneration Committee who are still in office, or who have been ceased to be members of the Committee shall keep confidentiality of the documents, data and information they have obtained during in office as Committee member, from both internal and external parties and shall only use then for purpose of performing their duties.
2. The Nomination and Remuneration Committee members are prohibited from abusing any important information relating to the Company for personal benefits.
3. The Nomination and Remuneration Committee members in performing their duties and responsibilities shall comply with the Company Ethic Standards and are prohibited from taking personal benefits both directly and indirectly from the Company's activities other than the honorarium together with the facilities and other allowances.

CHAPTER IV

MEETINGS AND REPORTING

4.1 Meetings

1. The Nomination and Remuneration Committee shall hold meeting at least 1 (one) time within 4 (four) months.
2. The Nomination and Remuneration Committee Meeting held only if:
 - a. Attended by majority of the Members of Nomination and Remuneration Committee.
 - b. One of the majorities of the Members of Nomination and Remuneration Committee referred to in paragraph a above is the Chairman of the Nomination and Remuneration Committee.
3. Resolution of the Nomination and Remuneration Committee meetings is taken by consensus
4. In the event of decision based on consensus agreement fails, shall be adopted by voting based.
5. In the event of decision-making by voting based occurs tie vote, then the Chairman of the Meeting shall cast the deciding vote.
6. In the event of the decision-making process occurs dissenting opinion, the dissenting opinion shall be stated in the Minutes of the Meeting and the reasons for such dissent.
7. The resolution of the Nomination and Remuneration Committee meetings shall be stated in the Minutes of Meeting and shall be documented properly.
8. The Minutes of the Meeting must be submitted in writing to the Board of Commissioners.

4.2 Reporting

1. pelaksanaan tugas, tanggung jawab dan prosedurN.diungkapkan The Nomination and Remuneration Committee shall submit a report on the activity of the Nomination and Remuneration Committee to the Board of Commissioners on a regular basis at least 1 (one) times a year or at the request of the Board of Commissioners.
2. Report of the Nomination and Remuneration Committee is part of the report of the Board of Commissioners and submitted to the General Meeting of Shareholders.
3. The implementation of the functions of the Nomination and Remuneration Committee should be loaded to website of the Company at least:
 - a. The statement that the Company has Nomination and Remuneration Committee Charter.
 - b. Brief description of the duties and responsibilities of the Nomination and Remuneration Committee during the fiscal year.

CHAPTER V

PROHIBITIONS

1. The members of the Nomination and Remuneration Committee are prohibited from taking personal advantage, either directly or indirectly from the Company in addition to a legitimate income.
2. The members of the Board of Commissioners who act as the Chairman or Member of the Nomination and Remuneration Committee is not given any additional income.

CHAPTER VI

CLOSING

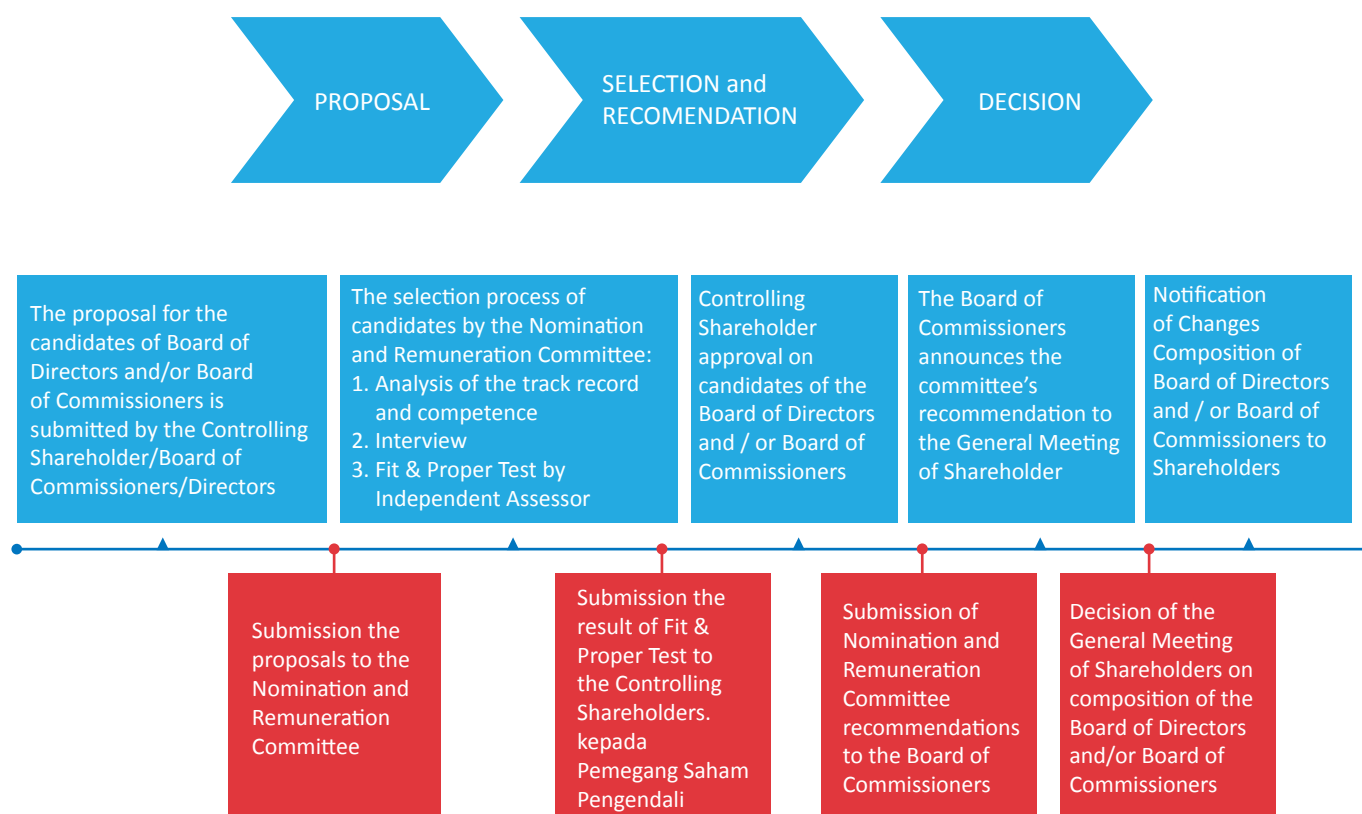
1. The Nomination and Remuneration Committee Charter effectively starts after the approval of the Board of Commissioners.
2. This Nomination and Remuneration Committee Charter will be evaluated on annual basis for improvement or updating thereof as may be necessary with regard to the statutory regulations.

Jakarta, 22nd May 2015
Board of Commissioners
PT Elnusa Tbk

President Commissioner	Syamsu Alam	(Signed)
Independent Commissioner	Pradana Ramadhian	(Signed)
Independent Commissioner	Rinaldi Firmansyah	(Signed)
Commissioner	Budhi Himawan	(Signed)
Commissioner	Hadi Budi Yulianto	(Signed)

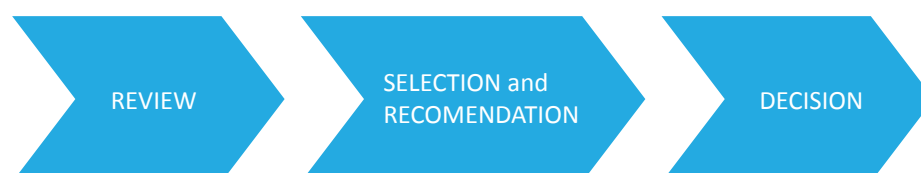
APPENDIX 1:

FLOW OF NOMINATION PROCESS FOR CANDIDATES OF BOARD OF DIRECTORS AND/OR BOARD OF COMMISSIONERS



APPENDIX 2:

FLOW OF REMUNERATION PROCESS



- The evaluation of the amount of remuneration:
 - Proposal from Board of Directors and/or Board of Commissioners.
 - Evaluation by the Nomination and Remuneration Committee
- The Nomination and Remuneration Committee conducted a survey and/or the comparative study and conduct the study in determining the amount of remuneration that apply to the industry in accordance with the Company's business activities and the type of business scale of the Company in its industry. If needed Nomination and Remuneration Committee may appoint consultants or independent parties to obtain more valid data.*
- Assessment of the performance of the Company by the Nomination and Remuneration Committee as a reflection of the performance of the Board of Directors and Board of Commissioners..

*) Nomination and Remuneration Committee may appoint consultants or independent parties to assist the Committee with the written approval of the Board of Commissioners and the expense of the Company allocated from the budget of the Board of Commissioners.

- Based on the survey results and/or the comparative study and performance of the Company, the Nomination and Remuneration Committee will recommend the amount of remuneration for Board of Directors and Board of Commissioners to the Controlling Shareholder.
- Approval of Controlling Shareholders on the amount of remuneration for Board of Directors and Board of Commissioners.
- The Board of Commissioners announces the committee's recommendation to the General Meeting of Shareholder.
- Decision of the General Meeting of Shareholders on the amount of remuneration for Board of Directors and Board of Commissioners.



PT Elnusa Tbk

Graha Elnusa 16th Floor
Jl. T.B. Simatupang Kav. 1B
Jakarta 12560, Indonesia
Tel. +62 21-78830850 (Hunting)
Fax. +62 21-78830907
corporate@elnusa.co.id
www.elnusa.co.id