



## **Nomination and Remuneration Committee Charter PT Archi Indonesia Tbk**

*Below Charter is a work guidelines summary of Nomination and Remuneration Committee Charter of PT Archi Indonesia Tbk (“**Company**”). In addition, below Charter is prepared in two different versions (Indonesia and English), and if any discrepancy is found within the two, then the Charter in Indonesia is applicable.*

### **A. DEFINITION**

- a. Nomination and Remuneration Committee is a committee that is formed by and is responsible to the Board of Commissioners for the purpose of assisting it in carrying out its duties and functions relating to Nomination and Remuneration for the Board of Directors and the Board of Commissioners.
- b. Company means PT ARCHI INDONESIA TBK.

### **B. LEGAL STANDING OF ESTABLISHMENT**

- a. Law of the Republic of Indonesia Number 8 of 1995 on Capital Market;
- b. Law of the Republic of Indonesia Number 40 of 2007 on Limited Liability Companies;
- c. Financial Services Authority (OJK) Regulation No. 34/POJK.04/2014 dated 8 December 2014 on Nomination and Remuneration Committee of a Company;
- d. Articles of Association of the Company;

### **C. DUTIES, RESPONSIBILITIES AND AUTHORITIES**

- a. Nomination and Remuneration Committee must act independent in carrying out its duties.
- b. Nomination Function:
  - 1) to give recommendations to the Board of Commissioners on: a) the composition of the members of the Board of Directors and/or members of the Board of Commissioners; b) the policy and criteria required in the Nomination process; and c) the performance evaluation policy for members of the Board of Directors and/or members of the Board of Commissioners;
  - 2) to assist the Board of Commissioners in carrying out performance assessment on members of the Board of Directors and/or members of the Board of Commissioners based on the benchmarks that have been prepared as evaluation material;
  - 3) to give recommendations to the Board of Commissioners on capacity building programs for members of the Board of Directors and/or members of the Board of Commissioners; and
  - 4) to propose candidates who meet the qualifications as members of the Board of Directors and/or members of the Board of Commissioners to the Board of Commissioners to be submitted to the GMS.
- c. Remuneration Function:
  - 1) to give recommendations to the Board of Commissioners on: a) the Remuneration structure; b) the Remuneration policy; and c) the Remuneration amount;

- 2) to assist the Board of Commissioners in carrying out an assessment on performance and its adequacy with the Remuneration received by each member of the Board of Directors and/or member of the Board of Commissioners.
- d. In carrying out the Nomination function, the Nomination and Remuneration Committee must implement the following procedure:
- 1) formulate the composition and Nomination process of members of the Board of Directors and/or members of the Board of Commissioners;
  - 2) formulate the policy and criteria that are required in the Nomination process of members of the Board of Directors and/or members of the Board of Commissioners;
  - 3) assist in carrying out the evaluation on the performance of members of the Board of Directors and/or members of the Board of Commissioners;
  - 4) formulate capacity building programs for members of the Board of Directors and/or members of the Board of Commissioners; and
  - 5) review and propose candidates who meet the qualifications as members of the Board of Directors and/or members of the Board of Commissioners to the Board of Commissioners to be submitted to the GMS.
- e. In carrying out the Remuneration function, the Nomination and Remuneration Committee must implement the following procedure:
- 1) formulate the Remuneration structure for the members of the Board of Directors and/or members of the Board of Commissioners in the form of salary, fee, incentive and/or allowance that are fixed and/or variable taking into account:
    - i. the remuneration that applies in industry that is similar to the business of the Company and the scale of the Company's business in the industry;
    - ii. the duties, responsibilities and authorities of the members of the Board of Directors and/or members of the Board of Commissioners linked to the achievement of the objectives of and the performance of the Company;
    - iii. the performance target or individual target of each member of the Board of Directors and/or member of the Board of Commissioners; and
    - iv. the balance between the allowances that are fixed in nature and the allowance that are variable in nature.The structure, policy and amount of Remuneration must be evaluated by the Nomination and Remuneration Committee at least 1 (once) in 1 (one) year.
  - 1) formulate the Remuneration policy for members of the Board of Directors and/or members of the Board of Commissioners; and
  - 2) formulate the amount of Remuneration for members of the Board of Directors and/or members of the Board of Commissioners.

#### **D. STRUCTURE AND MEMBERSHIP**

- a. Nomination and Remuneration Committee shall consist of at least 3 (three) members, subject to the following provisions:
- 1) 1 (one) chairman who is also a member, who is an Independent Commissioner; and
  - 2) other members that may come from:
    - i. members of the Board of Commissioners;

- ii. duties, responsibilities and authorities of members of the Board of Directors and/or members of the Board of Commissioners linked to the achievement of the objectives of and the performance of the Company; and
  - iii. performance target or individual target of each member of the Board of Directors and/or member of the Board of Commissioners;
- b. The majority of the other members of the Nomination and Remuneration Committee as referred to in number 2) above must not come from parties who occupy managerial positions below the [member of the] Board of Directors who is in charge of human resources.
- c. Members of the Nomination and Remuneration Committee who come from outside the Company must meet the following requirements:
  - 1) have not Affiliated relationship with the Company, members of the Board of Directors, members of the Board of Commissioners or the Main Shareholders of the Company;
  - 2) have experiences relating to Nomination and/or Remuneration; and
  - 3) do not hold double position as members of another committee of the Company.
- d. A member of the Board of Directors of the Company cannot become a member of the Nomination and Remuneration Committee.
- e. Members of the Nomination and Remuneration Committee shall be appointed and dismissed pursuant to the resolutions of a Board of Commissioners' meeting.
- f. The term of office of the Nomination and Remuneration Committee shall not be longer than the term of office of the Board of Commissioners as stipulated in the articles of association.

#### **E. WORK PROCEDURE**

Distribution of work and working time arrangement of members of the Nomination and Remuneration Committee shall be stipulated by the Nomination and Remuneration Committee based on the Company's needs.

#### **F. MEETING**

- a. Meetings of the Nomination and Remuneration Committee shall be held periodically at least 1 (once) in every 4 (four) months.
- b. Nomination and Remuneration Committee's meeting may be held only if:
  - 1) it is attended by the majority of the members of the Nomination and Remuneration Committee; and
  - 2) one from among the majority of the members of the Nomination and Remuneration Committee as referred to in letter a above shall be the Chairman of the Nomination and Remuneration Committee.
- c. The resolutions of Nomination and Remuneration Committee's meeting shall be based on deliberation to reach consensus.
- d. In the event the deliberation to reach consensus cannot be achieved, the decision making shall be based on simple majority.
- e. In the event of a tie vote in a decision making by way of voting, the resolutions shall be adopted using the mechanism stipulated in the Nomination and Remuneration Committee guideline.
- f. In the event there is a dissenting opinion in the decision making, the dissenting opinion must be included in the minutes of meeting including the reasons behind the dissenting opinion.

- g. The results of the Nomination and Remuneration Committee's meeting must be stated in a minutes of meeting and must be documented by the Company.
- h. The minutes of meeting of the Nomination and Remuneration Committee as referred to in point g above must be submitted in writing to the Board of Commissioners.

#### **G. REPORTING**

The Nomination and Remuneration Committee shall be responsible to the Board of Commissioners and must provide reports regularly to the Board of Commissioners in accordance with the applicable regulations.

#### **H. CODE OF ETHIC**

- a. To avoid any conflict, the Nomination and Remuneration Committee must adhere to Good Corporate Governance principles, namely transparency, accountability, responsibility, independence and fairness.
- b. In performing its duties, the Nomination and Remuneration Committee must adhere to professional code of conduct, whether it is related to the expertise of each member of the Committee or the professional code of conduct of the Nomination and Remuneration Committee.

In the event of any conflict or inconsistency between the provisions set out in [this] Nomination and Remuneration Committee Charter and the Financial Services Authority Regulation No. 34/POJK.04/2014 on Nomination and Remuneration Committee of Issuer or Public Company, the latter shall prevail.

This Nomination and Remuneration Committee Charter will be evaluated periodically for improvements.

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