

# WORK IMPLEMENTATION GUIDELINES OF NOMINATION AND REMUNERATION COMMITTEE CHARTER



## PT ITSEC Asia Tbk

**Applicable Since 2023**

Scope: PT ITSEC Asia Tbk and its Subsidiary Entities

Work Guidelines of **Nomination and Remuneration Committee** is one of manifestation of implementation guidelines of Good Corporate Governance (“**GCG**”) and is prepared for the work reference of the Nomination and Remuneration Committee in order to work professionally in accordance with its assignment purposes and as a means of communication so the work of the Nomination and Remuneration Committee can be accepted and supported by other work units.

## NOMINATION AND REMUNERATION COMMITTEE CHARTER

This Nomination and Remuneration Committee Charter of PT ITSEC Asia Tbk is stipulated by the Board of Commissioners and shall apply as the guidance of the Nomination and Remuneration Committee (“**the Committee**”) binding to all members of the Committee in performing his/her duties and responsibilities.

### I. LEGAL BASIS

- a. Law Number 40 of 2007 on the Limited Liability Company.
- b. Regulation of the Financial Services Authority Number 34/POJK.04/2014 on the Committee of Nomination and Remuneration of Issuers or Public Companies;
- c. The Company’s Articles of Association.

### II. MEMBERSHIP STRUCTURE

- a. Committee comprises of at least 3 (three) members, with the following composition:
  1. A Chair, also serves as the Company’s Independent Commissioner.
  2. Other members are:
    - i. Members of the Board of Commissioners; or
    - ii. External Party, that has not any affiliation relationship with the Company, has experience related to the Nomination and/or Remuneration and does not hold dual office as the members of other committee in the Company; or
    - iii. Internal party which shall be under the Board of Directors in charge of the Human Resources.
  3. Most of members of Committee are not from internal party under the Board of Directors in charge of the Human Resources.
  4. Members of the Company’s Board of Directors shall not be allowed to be members of Committee.

### III. TERM OF OFFICE

- a. Members of Committee shall be appointed and dismissed by the Board of Commissioners.
- b. Term of Office of members of committee shall not be longer than the Board of Commissioners.
- c. Members of Committee who his/her office has expired shall be re-appointed.
- d. Replacement of a member of Committee who is not serving as a member of the Board of Commissioners shall be performed at least within 60 days as of the concerned member of Committee cannot perform his/her duties any longer.

### IV. DUTIES AND RESPONSIBILITIES

- a. Committee shall act independently in performing his/her duties and be responsible to the Board of Commissioners.
- b. Associated with the Nomination function:
  1. Providing recommendation to the Board of Commissioners concerning:
    - i. Composition of office of members of the Board of Directors and the Board of Commissioners;
    - ii. Policies on and criteria of Nomination process; and

- iii. Policies on the performance evaluation for members of the Board of Directors and the Board of Commissioners.
  2. Assisting the Board of Commissioners in conducting the performance evaluation of members of the Board of Directors and the Board of Commissioners based on the benchmark which has been prepared as the evaluation material;
  3. Providing recommendation to the Board of Commissioners regarding the ability development program for the members of the Board of Directors and/or the Board of Commissioners;
  4. Giving suggestion on the qualified candidate as members of the Board of Directors and/or the Board of Commissioners, to be submitted to the General Meeting of Shareholder (**"the GMS"**).
- c. Associated with the Remuneration function:
1. Providing recommendation to the Board of Commissioners regarding the structures, policies and amount of remuneration intended to members of the Board of Directors and the Board of Commissioners;
  2. Assisting the Board of Commissioners to carry out the performance assessment in line with the remuneration conformity received by each member of the Board of Directors and the Board of Commissioners.

## V. WORK PROCEDURE

- a. Associated with the Nomination Function:
1. Preparing the composition and process of nominations of members of the Board of Directors and the Board of Commissioners.
  2. Composing the policies and criteria required in the nomination process of the candidates of members of the Board of Directors and the Board of Commissioners.
  3. Assisting the implementation of performance assessment of members of the Board of Directors and the Board of Commissioners.
  4. Preparing the ability development program of members of the Board of Directors and the Board of Commissioners.
  5. Reviewing and suggesting the qualified candidates as members of the Board of Directors and the Board of Commissioners, to the Board of Commissioners, to be submitted to the GMS.
- b. Associated with the Remuneration Function:
1. Composing the structures, policies and amount of remuneration intended for the Members of the Board of Directors and the Board of Commissioners, with due observance of the following matters:
    - i. Remuneration is applicable in industrial field and similar business scale;
    - ii. Duties, responsibilities and authorities of members of the Board of Directors and the Board of Commissioners shall be in line with the goal and performance achievements of the Company;
    - iii. Performance target or target of each member of the Board of Directors and the Board of Commissioners;
    - iv. The balance of fixed and variable allowance.
  2. Remuneration structure may in form of fixed and/or variable salary, honorarium, incentive, and/or allowance.
  3. Structures, policies and amount of remuneration shall be evaluated by the Committee at least once a year.

## VI. MEETING

- a. Mechanism and Resolution Adoption
  1. Committee Meeting must be convened periodically at least 1 (one) meeting within 4 (four) months.
  2. Committee Meeting may be convened if:
    - i. Attended by majority members of Committee, and
    - ii. One of majority members of Committee as referred in number (i) is a Chair of Committee.
  3. Resolution adopted based on mutual consensus. In event that mutual consensus is not reached, the resolution may be adopted by majority votes.
- b. Minutes of Meeting
  1. Result of Meeting must be recorded in a Minutes of Meeting and delivered in writing to the Board of Commissioners and documented by the Company.
  2. Minutes of Meeting shall note any dissenting opinion (if any) of members of Committee furnished with reasons of such dissent.

## VII. REPORTING AND DISCLOSURE

- a. Reporting
  1. Committee must report every implementation of duties, responsibilities, and procedures of Nomination and Remunerations which have been performed, to the Board of Commissioners.
  2. Report of the duties implementation of Committee is an integral part of the report of duties implementation of the Board of Commissioners and shall be submitted at the GMS.
- b. Disclosure  
Implementation of nomination and remuneration functions shall be disclosed in the Annual Reports and Website of the Company.

## VIII. CLOSING

- a. Nomination and Remuneration Committee Charter will be reviewed for its adequacy periodically and if deemed necessary shall be renewed or made amendment with prior consent of the Board of Commissioners.
- b. Matters are not specified herein shall be further regulated in the Resolution of the Board of Commissioners.

Stipulated on March 21, 2023  
The Board of Commissioners  
PT ITSEC Asia Tbk