



**CHARTER OF NOMINATION
AND REMUNERATION COMMITTEE**
PT PETROSEA Tbk

Rev No. 02



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I. BACKGROUND

Based on the Financial Services Authority Regulation concerning the Nomination and Remuneration Committee and the implementation of good corporate governance, it is necessary for the company to have a Committee Charter which serves as a guideline so that corporate governance can be implemented properly, transparently and accountably, in order to improve the quality, competence and responsibility of the Board of Directors and the Board of Commissioners in an effort to continue to increase the trust of the Company's shareholders.

In line with the development and dynamics of the sector and industry, as well as the results of an independent assessment on August 8, 2019 from the Indonesian Institute for Corporate Directorship (IICD) on the implementation of the ASEAN Corporate Governance Scorecard (ACGS) standards in the Company, in 2020 the Board of Commissioners changed the name of the committee from the Human Capital Committee to the Nomination and Remuneration Committee in accordance with POJK 34 of 2014. An update to the previous Charter was also carried out in 2018 which updated the duties, authorities and responsibilities of committee members.

II. OBJECTIVE AND PURPOSE

The Charter needs to be prepared as a reference to clarify the functions, duties and responsibilities of the Nomination and Remuneration Committee ("**NR Committee**") and for the Board of Commissioners to ensure that the NR Committee has carried out its functions effectively.

This charter needs to be reviewed and updated from time to time, if necessary, to anticipate changes in statutory provisions and the Company's needs.

The NR Committee must uphold the principles of good faith, full responsibility, professionalism and full caution in carrying out its duties.

III. BASIS OF PREPARING THE CHARTER

1. Law No. 8 of 1995 regarding the Capital Market.
2. Law No. 21 of 2011 regarding the Financial Service Authority.
3. Financial Service Authority Regulation No. 33/POJK.04/2014 regarding the Board of Directors and Board of Commissioners of Issuers or Public Companies.
4. POJK No. 34/POJK.04/2014 regarding the Nomination and Remuneration Committee of Issuers or Public Company.
5. Financial Service Authority Regulation No. 21/POJK.04/2015 regarding the Implementation of Good Corporate Governance in a Public Company.

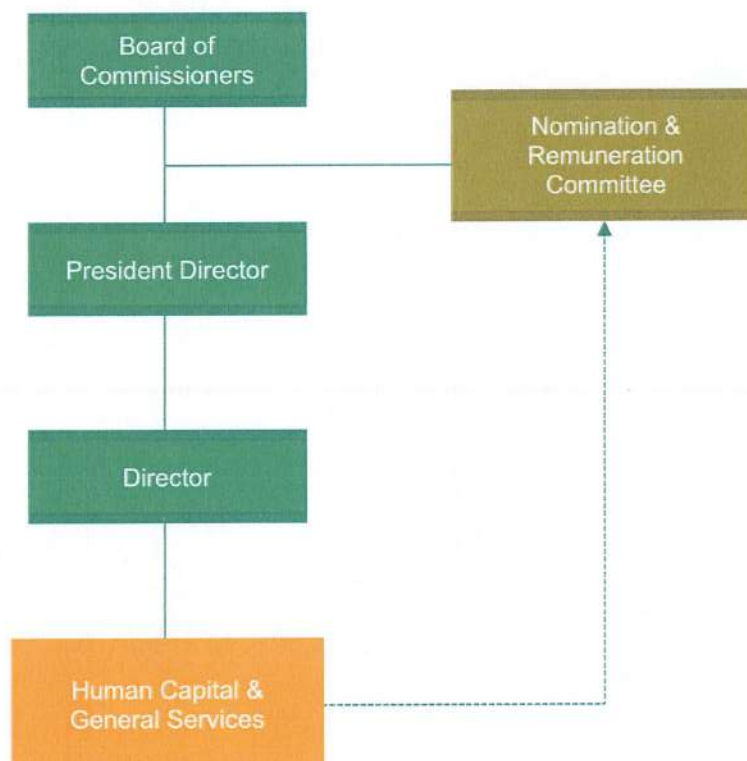
6. Financial Service Authority Circular Letter No. 32/SEOJK.04/2015 regarding the Implementation of Good Corporate Governance of the Public Company.

IV. DEFINITIONS

1. Nomination is the proposal of a person to be appointed to a position as a member of the Board of Directors and/or member of the Board of Commissioners.
2. Remuneration is the reward determined and given to members of the Board of Directors and Board of Commissioners because of the position and role given in accordance with the duties, responsibilities and authority.
3. NR Committee is the committee that carries out the nomination & remuneration function and is an organ of the Board of Commissioners that is independent and professional in the field of nomination & remuneration. The NR Committee's task is to assist the Board of Commissioners in its supervisory function and ensure that all nomination & remuneration systems and policies have been prepared and implemented based on applicable corporate governance principles.
4. Company is PT Petrosea Tbk.

V. ORGANIZATION

V.1. Organization Structure



V.2. Structure

V.2.1 Appointment and Dismissal

The NR Committee is formed, appointed and responsible to the Board of Commissioners.

V.2.2 NR Committee Composition

The NR Committee consists of at least 3 (three) members, with the following provisions:

1. 1 (one) person who is the chairman and also a member, who is an Independent Commissioner.
2. Other members may come from:
 - a. Members of the Board of Commissioners;
 - b. Parties from outside the Company; or
 - c. Parties who occupy managerial positions under the Board of Directors who are in charge of human resources.

V.2.3 Membership

1. The majority of NR Committee members cannot come from parties holding managerial positions under the Board of Directors in charge of human resources.
2. Members of the Company's Board of Directors cannot be members of the Nomination and Remuneration Committee.

V.2.4 Other requirements

1. Specifically for the Chairperson or Member of the NR Committee who is also an Independent Commissioner, the general provision applies that the person concerned does not have any affiliated relationship with the Company, members of the Board of Directors, members of the Board of Commissioners or the Company's main shareholders.
2. It is prohibited to take personal advantage either directly or indirectly from Company activities other than legitimate income.
3. Other additional requirements:
 - a. Understand the core values and culture of the Company - vision and mission.
 - b. Have high integrity, adequate skills, knowledge and work experience.
 - c. Do not have personal interests that could cause negative impacts and conflicts of interest for the Company.
 - d. Have sufficient time to complete the task.
 - e. Able to communicate and work together well and effectively.

V.3. Term of Service and Honorarium

V.3.1 Term of Service

1. The term of office of the NR Committee members shall not be longer than the term of office of the Company's Board of Commissioners as stipulated in the Company's articles of association.
2. Replacement of NR Committee members who do not come from the Board of Commissioners must be carried out no later than 60 (sixty) days after the Nomination and Remuneration Committee member in question is no longer able to carry out his/her functions.
3. The term of office of a member of the NR Committee ends if:
 - a. Resign.
 - b. No longer meets the requirements as stipulated in the Financial Services Authority regulations or applicable laws and regulations.
 - c. Death.
 - d. Declared bankrupt or placed under guardianship based on a court decision.
 - e. Dismissed based on the decision of the Board of Commissioners.
4. If a member of the NR Committee who is also a member of the Board of Commissioners resigns before the end of his term of office, another member of the Board of Commissioners may be appointed as his replacement.

V.3.2 Honorarium

The honorarium for members of the NR Committee is determined by the Board of Commissioners.

V.4. Cost

V.4.1 Cost

Costs incurred for NR Committee activities are charged to the Company.

VI. DUTIES, RESPONSIBILITES AND AUTHORITIES

VI.1. Duties and Responsibilities

The NR Committee is required to act independently and be accountable to the Board of Commissioners. The NR Committee's duties are as follows:

1. Related to the nomination function:

- a. Provide recommendations to the Board of Commissioners regarding:
 - i. Composition of positions of members of the Board of Directors and/or members of the Board of Commissioners.
 - ii. Policies and criteria required in the nomination process.
 - iii. Performance evaluation policy for members of the Board of Directors and/or members of the Board of Commissioners.
- b. Assist the Board of Commissioners in assessing 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:
 - i. Composition of positions of members of the Board of Directors and/or members of the Board of Commissioners.
 - ii. Provide recommendations to the Board of Commissioners regarding competency development programs for members of the Board of Directors and/or members of the Board of Commissioners.
 - iii. Provide proposals for candidates who meet the requirements 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 Company's General Meeting of Shareholders.
 - iv. Review, propose and recommend up to one level below the Board of Directors regarding the implementation of tasks related to talent management and succession planning.

2. Related to the remuneration function:

- a. Provide recommendations to the Board of Commissioners regarding:
 - i. Remuneration structure.
 - ii. Policy on remuneration.
 - iii. Amount of remuneration.

- b. Assist the Board of Commissioners in conducting performance assessments in accordance with the remuneration received by each member of the Board of Directors and/or member of the Board of Commissioners.
3. In carrying out his duties, he must pay attention to matters such as the Company's financial performance, individual work performance, fairness and consideration of the Company's long-term targets and strategies and other considerations.
4. Must report on the implementation of duties, responsibilities and nomination and remuneration procedures to the Board of Commissioners and submit it at the General Meeting of Shareholders.
5. Must disclose the implementation of nomination and remuneration functions in the annual report and on the Company's website.
6. Responsible for Senior Executive and Executive levels.

VI.2. Authorities

1. Can access all documents, data and information of the Company. The NR Committee will be assisted by, but not limited to, the Corporate Secretary, Human Capital, Legal and Finance & Accounting departments. And in addition, the NR Committee may obtain assistance from external parties who are not employees of the Company, or obtain assistance from organizations deemed appropriate, with costs paid by the Company (if any). The above authority includes the authority to maintain, terminate and obtain advice and assistance from legal counsel and external legal consultants or other parties.
2. Can communicate directly with employees, including the Board of Directors and parties who carry out human resources functions and other functions related to the duties and responsibilities of the NR Committee.
3. May involve independent parties outside the NR Committee members as needed to assist in carrying out its duties (if necessary) at the Company's expense with the approval of the Board of Commissioners.

VII. METHOD AND WORK PROCEDURE

VII.1. Method and Work Procedure

1. In carrying out the Nomination function, the NR Committee is obliged to carry out the following procedures:
 - a. Preparing the composition and nomination process for members of the Board of Directors and/or members of the Board of Commissioners;
 - b. Prepare policies and criteria required in the nomination process for prospective members of the Board of Directors and/or members of the Board of Commissioners;
 - c. Assist in the evaluation of the performance of members of the Board of Directors and/or members of the Board of Commissioners;
 - d. Prepare a program to develop the capabilities of members of the Board of Directors and/or members of the Board of Commissioners; and
 - e. Review and propose candidates who meet the requirements 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.
2. In carrying out the Remuneration function, the NR Committee is obliged to carry out the following procedures:
 - a. Prepare a remuneration structure for members of the Board of Directors and/or members of the Board of Commissioners;
 - b. Formulate policies on remuneration for members of the Board of Directors and/or members of the Board of Commissioners; and
 - c. Preparing the amount of remuneration for members of the Board of Directors and/or members of the Board of Commissioners.
3. The remuneration structure as referred to above can be in the form of:
 - a. Salary;
 - b. Honorarium;
 - c. Incentives; and/or
 - d. Fixed and/or variable allowances.
4. The preparation of the structure, policies and amount of remuneration must take into account:
 - a. Remuneration applicable in the industry is in accordance with the business activities of the Issuer or Public Company of the same type and the business scale of the Issuer or Public Company in its industry;

- b. The duties, responsibilities and authorities of members of the Board of Directors and/or members of the Board of Commissioners are linked to the achievement of the objectives and performance of the Issuer or Public Company;
 - c. Performance targets or performance of each member of the Board of Directors and/or member of the Board of Commissioners; and
 - d. Balance of allowances between fixed and variable.
5. The structure, policies and amount of remuneration must be evaluated by the NR Committee at least once a year.

VIII. MEETINGS

VIII.1. Regular Meetings

NR Committee meetings are held periodically at least 1 (one) time in 4 (four) months.

VIII.2. Ad-hoc Meetings

1. The NR Committee may hold meetings with the External Auditor as needed.
2. The NR Committee may hold meetings as needed or as a special assignment given by the Board of Commissioners.

VIII.3. Notice of Meeting

1. In order for all meetings to proceed as scheduled, written notification (meeting invitation) can be sent via fax, e-mail or registered mail to all members of the NR Committee no later than 3 (three) working days before the meeting date and accompanied by documents deemed relevant to the agenda.
2. The written notification (meeting invitation) lists the agenda of the meeting, which can be made based on the annual work plan or special matters submitted by the Board of Commissioners or determined by the Chair of the NR Committee after consulting with the members of the NR Committee.
3. Meeting materials or materials must be prepared for the NR Committee at least 3 (three) days before the meeting is held or in a shorter time if in urgent circumstances.

VIII.3. Quorum of the Meeting

NR Committee meetings can only be held if:

1. Attended by the majority of the members of the NR Committee.
2. One of the majority of the members of the NR Committee is the Chair of the NR Committee.

VIII.4. Resolution of the Meeting

1. The NR Committee may make a decision if the meeting is attended by more than half of the NR Committee members. NR Committee meeting decisions are made based on consensus. If consensus cannot be reached, decisions are made by majority vote.
2. If there are differences of opinion in the decision-making process, these differences of opinion must be included in the minutes of the meeting along with the reasons for the differences of opinion.

VIII.5. Minutes of Meeting

1. The results of the NR Committee meeting must be stated in the minutes of the meeting and documented by the Corporate Secretary.
2. Minutes of the NR Committee meeting must be submitted in writing to the Board of Commissioners.

IX. REPORTING SYSTEM

IX.1. Annual Work Plan

1. The NR Committee must create an annual work plan, in such a way that it is able to fulfill the responsibilities of the NR Committee.
2. The annual work plan is submitted to the Board of Commissioners.

IX.2. Annual Report

Making an annual report on the implementation of the NR Committee's activities which is disclosed in the Company's Annual Report, which outlines the NR Committee's activities in the current year.

X. MISCELLANEOUS

X.1. NR Committee Charter

The NR Committee shall review and reassess the contents of this Nomination and Remuneration Charter annually and recommend proposed changes to the Board of Commissioners for approval.

X.2. Performance Review

The NR Committee annually reviews its own performance and reports the results of the review to the Board of Commissioners.

X.3. Publication

The NR Committee Charter must be published on the Company's website in accordance with applicable laws and regulations.

X.4. Discrepancy with the Regulations

In the event of any discrepancy between the provisions of the NR Committee Charter and the provisions of POJK 34 of 2014 as updated from time to time, then the provisions of POJK 34 of 2014 or the laws and regulations that serve as guidelines shall prevail.