



## COMMITTEE FOR NOMINATION AND REMUNERATION

Telkom has Committee for Nomination and Remuneration (KNR) as a form of GCG implementation. This committee is tasked with assisting the Board of Commissioners in fulfilling their responsibilities related to remuneration decisions, submission of Top Talent proposals, and nominations for the Board of Directors and the Board of Commissioners of Subsidiaries. With KNR, Telkom hopes that the selection process and remuneration policy-making can be carried out in accordance with professional and independent considerations without any pressure from other parties.

The establishment of Committee for Nomination and Remuneration (KNR) refers to OJK Regulation No. 34/POJK.04/2015 regarding Committee for Nomination and Remuneration for Issuers or Public Companies and Minister of SOE Regulation No. PER-06/MBU/04/2021 dated April 13, 2021 regarding Amendments to Minister of SOE Regulation No. PER-12/MBU/2012 regarding Supporting Organs for the Board of Commissioners/Supervisory Board of SOE, as an external regulation.

Internally, the provisions regarding KNR are regulated in Committee for Nomination and Remuneration Charter, which is stipulated by Resolution of the Board of Commissioners No. 12/KEP/DK/2021 dated November 29, 2021 regarding Guidelines for the Implementation of Work (Charter) of Committee for Nomination and Remuneration of the Company (Persero) PT Telekomunikasi Indonesia, Tbk. The guidelines contain the working procedures of the KNR whose task is to assist the Board of Commissioners in overseeing the determination of qualifications and the nomination process, as well as the remuneration of the Board of Commissioners, Board of Directors, and executive officers.

### KNR'S SCOPE, DUTIES, AND RESPONSIBILITIES

KNR's scope, duties, and responsibilities are as follows:

1. For Nomination
  - a. Conduct regular review of the Company's Talent Management System as well as monitoring and evaluating its implementation.
  - b. Evaluating the talent classification system and procedure carried out by the Board of Directors.
  - c. Validate and calibrate talents proposed by the Board of Directors to the Board of Commissioners/Supervisory Board (selected talent) to produce a list of talents that will be nominated by the Board of Commissioners/Supervisory Board (nominated talent) to the GMS/Minister.
  - d. Evaluate the candidates for representatives of the Company who will be proposed as members of the Board of Directors or the Board of Commissioners of the Company's Subsidiaries, prior to submission to the GMS/Minister.
  - e. Reviewing the proposed organizational structure of the Company one level below the Board of Directors proposed by the Board of Directors, referring to the principles of good corporate governance.
  - f. Assist the Board of Commissioners who together with or consult with the Board of Directors in selecting candidates for strategic positions within the Company in accordance with the provisions in the Company's Articles of Association, including the management of Subsidiaries.
  - g. Provide recommendations to the Board of Commissioners to be submitted to Series A Dwiwarna Shareholders regarding:
    - i. Proposed composition of position for members of the Company's Board of Directors.
    - ii. Candidates for members of the Board of Directors and Commissioners of Subsidiaries comply with the threshold.
    - iii. Candidates for President Director and President Commissioner of all the Company's Subsidiaries.
  - h. Develop policies and criteria needed in the nomination process for candidates for members of the Board of Directors including the management of the Company's Subsidiaries.

## 2. For Remuneration

- a. Provide recommendation to the Board of Commissioners to be submitted to the Series A Dwiwarna Shareholder regarding the policy, amount and/or structure of the remuneration of the Board of Directors and the Board of Commissioners by taking into account:
  - i. Remuneration applicable in the telecommunications industry;
  - ii. The duties, responsibilities and authorities of the members of the Board of Directors and/or the Board of Commissioners are related to the achievement of the goals and performance of the Company;
  - iii. Performance targets for each member of the Board of Directors and Board of Commissioners.
- b. Propose remuneration for the Board of Directors and Board of Commissioners in the form of salary or honorarium, fixed allowances and facilities as well as variable incentives to the Board of Commissioners at least once in 1 (one) year.
- c. Propose indicators and performance evaluations (Key Performance Indicators) for the Board of Commissioners.
- d. Prepare proposal for individual performance evaluation systems (Individual Key Performance Indicators) for members of the Board of Directors.
- e. Develop and monitor the implementation of Performance Achievement Indicators (KPI) both Collegial KPI and Directors' Individual KPI.
- f. Deliver the progress of the realization of the Performance Achievement Indicators (KPI) to the Shareholder/Minister in accordance with the provisions of the legislation.
- g. Evaluating the remuneration policy for employees who require approval/response from the Board of Commissioners/Supervisory Board.
- h. Develop competency development programs for Committee members and/or members of the Board of Commissioners.

The Chairman of the KNR is responsible for coordinating and providing direction for the implementation of the Committee's duties and responsibilities. KNR secretary is tasked with assisting the Chairman in managing administration, documents, and activities. Meanwhile, Committee members are the parties who absorb aspirations and formulate recommendations regarding the nomination and remuneration of the Board of Directors and Board of Commissioners, as well as executive officers.

In Letter of Minister of SOE number S.675/MBU/10/2018 dated October 18, 2018, regarding approval of proposals, limits and/or criteria for the authority of the Board of Commissioners of PT Telekomunikasi Indonesia (Persero) Tbk, there is a division of authority for the nomination of the Company's representatives in management of the Company's Subsidiaries, then:

1. The authority of Series A Dwiwarna Shareholder is for:
  - a. President Director and President Commissioner of the Company's subsidiaries.
  - b. Company management (Directors and Commissioners), with total assets  $\geq$  50% of total parent assets and/or subsidiary revenue  $\geq$  50% of parent revenue.
2. The authority of the Board of Commissioners of PT Telkom Indonesia (Persero) Tbk is for the Director (other than the President Director) and the Board of Commissioners (other than the President Commissioner) in the Company's subsidiary with a total asset  $\leq$  50% of the total assets of the parent company, and/or a subsidiary with revenue  $\leq$  50% of the parent company's total revenue.

In 2021, KNR Telkom has conducted a Feasibility and Compliance Test for 18 (eighteen) times for 18 (eighteen) management positions (target positions) with 62 candidates in 8 (eight) Subsidiaries, as a follow-up to Letter of Minister of SOE number S.675/MBU/10/2018, dated October 18, 2018.