

# COMMITTEE FOR NOMINATION AND REMUNERATION

OJK Regulation No.34/POJK.04/2015 regarding the Nomination and Remuneration Committee of Issuers or Public Companies requires Telkom to have a Nomination and Remuneration Committee (KNR). Internally, the provisions regarding KNR are regulated in the Nomination and Remuneration Committee Charter, which was established through the Resolution of the Board of Commissioners No.13/KEP/DK/2018 dated 31 December 2018 regarding Working Guidelines Charter of the Committee Nomination and Remuneration of the Company (Persero) PT Telekomunikasi Indonesia, Tbk.

The Charter contains the working procedures of the Committee for Nomination and Remuneration whose task is to assist the Board of Commissioners in supervising the determination of qualifications and nomination processes, as well as the remuneration of the Board of Commissioners, Directors and executive officers. With the KNR, Telkom hopes that the remuneration policy selection and decision-making process can be carried out following professional and independent considerations without pressure from other parties.

## KNR'S SCOPE, DUTIES, AND RESPONSIBILITIES

Telkom has a Nomination and Remuneration Committee with the following scope, duties, and responsibilities:

1. To prepare the policy, criteria, and selection needed for the strategic titles within the Company namely the one title below the Director and Executive (a member of Board of Directors and member of Board of Commissioners) of consolidated subsidiaries that refer to the principles of good corporate Governance.
2. To assist the Board of Commissioners together or through the consultation with the Board of Directors to select the candidate for strategic titles within the Company (a member of Board of Directors and member of Board of Commissioners) consolidated subsidiaries.
3. To give recommendations to the Board of Commissioners to be conveyed to the holder of series A Dwiwarna shares regarding:
  - a. The composition of the title of members of the Board of Directors.
  - b. The succession planning of members of the Board of Directors.
  - c. Assessment based on the parameter that has been prepared as the evaluation material for the capability development of the Board of Directors' members.

4. Provide recommendations to the Board of Commissioners to be submitted to the General Meeting of Shareholders through the shareholders of the A Dwiwarna Series concerning the policies, amount and/or structures for the remuneration of Board of Directors and Board of Commissioners.
5. Remuneration of the Board of Directors and Board of Commissioners in the form of salary or honorarium, allowances, and facilities that are fixed and variable incentives.
6. Review the employment contract and/or performance statement of each member of the Board of Directors.

The Chairman of the KNR is responsible for coordinating and directing the implementation of the duties and responsibilities of the Committee. Then, the position of Secretary in the KNR is assigned to assist the Chairman in managing administration, documents, and activities. Committee members are parties who accept aspirations and formulate recommendations of the nomination and remuneration of the Directors and the Board of Commissioners, and executive officers.

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

1. The authority of Dwiwarna A Series Shareholders 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.

As part of the follow-up to the Letter of SOE Minister number S.675/MBU/10/2018, on October 18, 2018, in 2019 the Nomination and Remuneration Committee conducted 29 Feasibility and Compliance Tests, for 70 management positions (position target) with 208 candidates in 11 subsidiaries and in the Secretariat of the Board of Commissioners.