

Nomination & Remuneration Committee Charter

PT Astra Otoparts Tbk

www.astra-otoparts.com

Nomination & Remuneration Committee Charter

1. Introduction

- a. As an Indonesian limited liability company, PT. ASTRA OTOPARTS Tbk (the “Company”) has three corporate bodies, comprising:
 - i. The General Meeting of Shareholders
 - ii. The Board of Commissioners
 - iii. The Board of Directors
- b. Each corporate bodies of the Company has its respective duties and authorities with independence to carry out its respective duties and authorities in accordance with the Articles of Association of the Company and prevailing laws and regulations.
- c. The General Meeting of Shareholders (“GMS”) in principle is the forum for shareholders to determine the Board of Directors members and the Board of Commissioners members as well as to approve annual financial statements, annual reports, appropriation of net income, change to the capital and restructuring of the Company.
- d. The Board of Commissioners carries out an oversight function, while the Board of Directors manages [function] the Company.
- e. To assisting the Board of Commissioners in performing its oversight duties, the Board of Commissioners shall form a Nomination and Remuneration Committee (“NRC”) which assisting the Board of Commissioners in performing its duties and oversight function relating to the nomination and remuneration system of the Board of Directors of the Company (“Board of Directors”) members and the Board of Commissioners members of the Company (“Board of Commissioners”).
- f. This NRC Charter (“Charter”) is issued to provide guidance to the NRC and its members in carrying out their duties and authorities.

2. Duties and Responsibilities

- a. **Nomination Function**

The duties and responsibilities of NRC are as follows:

 - i. provide recommendations to the Board of Commissioners regarding:
 - the composition of the Board of Directors and/or the Board of Commissioners;
 - the policy and criteria required in the nomination process; and
 - the policy on performance of the Board of Directors and/or the Board of Commissioners members.
 - ii. assist the Board of Commissioners in relation to the assessment of the performance of the Board of Directors members and/or the Board of Commissioners members based in predetermined criteria.

- iii. recommend to the Board of Commissioners regarding the development program for the Board of Directors and/or the Board of Commissioners members.
 - iv. propose qualified candidates as the Board of Directors members and/or the Board of Commissioners members to the Board of Commissioners to be conveyed to the GMS.
- b. Remuneration Function
- The duties and responsibilities of NRC are as follows:
- i. provide recommendations to the Board of Commissioners regarding:
 - the remuneration structure of the Board of Directors members and/or the Board of Commissioners members;
 - the remuneration policy of the Board of Directors members and the Board of Commissioners members; and
 - the remuneration amount of the Board of Directors and/or the Board of Commissioners members.
 - ii. assist the Board of Commissioners in evaluating the appropriateness of the remuneration of each member of the Board of Directors and/or the Board of Commissioners in relation to their performance.
- c. Independency
- i. NRC shall act independently in performing its duties and responsibilities as stipulated in this Charter.
 - ii. Each member of the NRC is prohibited to take personal advantage, either directly or indirectly from activities of the Company other than the legitimate income for the concerned NRC member.

3. Composition and Membership Structure

- a. The NRC shall consist of at least 3 (three) members, provided that the membership structure as follows:
 - i. 1 (one) member shall act as a chairman of the NRC, that must be specifically an Independent Commissioners by the Board of Commissioners.
 - ii. other members can be elected from the following persons, provided that a majority of the members may not be elected from the managerial post below the Board of Directors in charge of human resources:
 - member of the Board of Commissioners; or
 - person from outside the Company, provided that shall qualify:
 - not Affiliated (as defined in Law No. 8 Year 1995 concerning Capital Market) with the Company, member of the Board of Directors, member of the Board of Commissioners, or the Majority Shareholders of the Company;
 - have experience related to nomination and/or remuneration; and
 - not holding concurrent position as a member of other committee owned by the Company; or
 - person which occupy a managerial position under the Board of Directors in charge of human resources.

- iii. member of the Board of Commissioners that become Chairman or member of the NRC not given additional income other than the income as a member of the Board of Commissioners.
- b. A member of the NRC shall required the following requirements:
 - i. not a member of the Board of Directors;
 - ii. high integrity, ability, knowledge and adequate experience;
 - iii. able to cooperate and well communication; and
 - iv. can provide the sufficient time to complete its duties.
- c. The NRC may appoint a party whose occupy a managerial position under the Board of Directors in charge on human resources or other person as agreed by the NRC as the secretary of the NRC.

4. Appointment

- a. A member of NRC is appointed by the Board of Commissioners for a term of office as of the date as resolved by the Board of Commissioners meeting that appointing him/her, provided that the term of office of NRC not longer than term of office of the existing Board of Commissioners as set out in Articles of Associations of the Company.
 - o For the first term of office of the apointed NRC shall follow term of office of the Board of Commissioners of the Company for period 2015 – 2017.
- b. For the composition and members name of NRC shall be made in a separate Board of Commissioners resolution with subject to this Charter.
- c. A member of NRC is appointed and dismissed by a resolution of the Board of Commissioners.
- d. The term of office of the members of the NRC shall terminate if he/she:
 - i. tenders his/her resignation;
 - ii. no longer complies with the requirement of the prevailing laws and regulations;
 - iii. passed away; and/or
 - iv. is dismissed by virtue of a resolution of the Board of Commisisoners.
- e. A member of the NRC, whose term of office has expired may be reappointed.

5. Resignation

- a. A member of the NRC may resign from his/her post as a member of the NRC by giving a written notice regarding his/her intention to the Board of Commissioners at least 30 (thirty) calendar days prior the resignation date. A member of NRC who resigned just released from his/her responsibilities during his/her tenure, if the Board of Commissioners released him/her responsibilities.

- b. The Board of Commissioners shall convene the Board of Commissioners meeting to deciding the resignation of a member of the NRC in period at latest 60 (sixty) days after receiving the resignation letter. In the event Board of Commissioner do not hold the Board of Commissioner meeting in such period, then with the elapse of such period, the resignation of such member of the NRC be valid without the approval of the Board of Commissioners.
- c. The replacement of member of the NRC who did not come from the Board of Commissioner made at latest 60 (sixty) days from such member of NRC no longer carry out his/her function.

6. Working Procedures

a. Nomination Function

In carry out nomination function, NRC shall carry out procedure as follows:

- i. establish composition and process the nomination of member of the Board of Director and/or member of the Board of Comissioners;
- ii. establish policies and criteria that required in the process on nomination of candidates of the Board of Directors and/or the Board of Commissioners members;
- iii. assist the evaluation on the performance of the Board of Directors and/or the Board of Commisisoners members;
- iv. establish a competency development program for the Board of Directors and/or the Board of Commissioners members; and
- v. examine and propose eligible candidates as members of the Board of Directors and/or the Board of Commissioners to the Board of Commissioners to be conveyed to the GMS.

b. Remuneration Function

- i. In carry out remuneration function, NRC shall carry out procedure as follows:
 - establish remuneration structure for the Board of Directors and/or the Board of Commissioners members, which can be either:
 - salary;
 - honorarium;
 - incentive; and/or
 - fixed and/or variance allowance.
 - establish policies on remuneration for the Board of Directors and/or the Board of Commissioners members; and
 - develop the amount on remuneration for the Board of Directors and/or the Board of Commissioners members.
- ii. Preparation of structure, policy and amount of such remuneration shall subject to the following matters and shall evaluated by NRC at least 1 (one) time in 1 (one) year :
 - remuneration prevailing in the industry in accordance with the similar business activities and/or the Company business scale;
 - duties, responsibilities, and authority of the Board of Directors and/or the Board of Commissioners members associated with achievement of the objectives and performance of the Company;
 - performances target or respective performances of the Board of Directors and/or the Board of Commissioners members; and

- the balance of allowance between the fixed and the variance.

7. Meetings

a. NRC Meeting

The meeting of NRC shall be convened periodically at least 1 (once) every 4 (four) months.

b. Meeting Invitations

- Invitation for the NRC meeting shall be issued by the chairman of the NRC or a member of NRC.
- Invitation for the NRC meeting shall be delivered to each member of the NRC, at the latest 10 (ten) calendar days and for any urgent matters at the latest 5 (five) calendar days prior the meeting excluding the date of the invitation and the date of meeting.
- The NRC may also invite other party(ies) who is deemed necessary in connection with his/her duties to attend in the NRC meeting.
- Invitation for the meeting shall provide the agenda, date, time, and venue of the meeting.
- The NRC meeting shall be held in the domicile of the Company or at a place where the Company conducts its business activity. If all members of the NRC are present or represented, no prior invitation shall be required and the meeting of the NRC can be convened elsewhere and entitled to adopt valid and legally binding resolutions.
- The meeting of NRC may also convened by video conference or other electronic media by which the persons participating in the meeting are able to see and hear as well as participate with each other at the meeting.

c. Chairman and Resolutions of the Meeting

- The meeting of NRC shall be presided by the chairman of the NRC.
- The meeting of NRC shall only be convened if attended by simple majority of members of the NRC, including the chairman of the NRC.
- Resolutions of the meeting of NRC shall be adopted based on deliberation to reach a consensus. If a consensus is not achieved, the resolutions shall be adopted by simple majority votes.
- In the event of a tie vote on the decision making, the proposal shall be deemed to be rejected.
- In the event of a dissenting opinion on the decision making, such opinion shall be documented in the minutes of meeting along with the reason.
- The minutes of the NRC meeting shall be drawn up by a person who is present at the meeting and appointed by the chairman of meeting. It shall further be signed by the chairman of meeting and one member of the NRC who is present at the meeting and appointed for the said purpose to verify the completeness and accuracy of the minutes of the meeting.
- The result of the meeting of the NRC shall be documented in the minutes of meeting.
- The materials and the minutes of the meetings of NRC shall be kept confidential.
- The NRC may also valid resolutions without convening a meeting of the NRC if all members of the NRC have been informed in writing and give their written approval to the proposal submitted as evidenced by their signatures

8. Reporting

- a. In performing its duties, the NRC shall be responsible to the Board of Commissioners.
- b. The NRC shall report its performance of duties, responsibilities, and procedure of nomination and remuneration were carried out as set forth in this Charter, to the Board of Commissioners.
- c. Such report of the NRC shall be part of the Board of Commissioners report were contained in the Annual Report of the Company to be conveyed at the GMS.

9. Miscellaneous

- a. If in the future there's a mistake occurred in this Decree, then there will be a modification or change on this Decree.
- b. This Decree is valid effectively as the date of enactment.