



Nomination and Remuneration Committee Charter 2022

**Attachment to the Board of Commissioners Decree
Number: DEKOM/SKEP/006/2022**

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**CHARTER
NOMINATION AND REMUNERATION COMMITTEE
PT GARUDA INDONESIA (PERSERO) TBK**

I. BACKGROUND

To achieve the Company's vision, mission, goals and objectives, and to provide confidence to shareholders that the Company is being managed in a sound manner, PT Garuda Indonesia (Persero) Tbk ("the Company") is committed to implementing Good Corporate Governance (GCG) on an ongoing basis.

To effectively implement GCG, the Board of Commissioners has established the Nomination and Remuneration Committee (NRC) as an organ of the Board of Commissioners whose task is to assist the Board of Commissioners in carrying out the duties and functions of the Board of Commissioners related to the nomination and remuneration of members of the Board of Directors and members of the Board of Commissioners and/or officials at the level below the Board of Directors and members of the Committee under the Board of Commissioners.

The establishment of NRC is in reference to the provisions contained in the Regulations and Laws as follows:

1. Law of the Republic of Indonesia Number 19 of 2003 dated June 19, 2003 concerning State-Owned Enterprises.
2. Regulation of the Minister of State-Owned Enterprises Number PER-01/MBU/2011 concerning the Implementation of Good Corporate Governance in State-Owned Enterprises and its amendments.
3. Regulation of the Minister of State-Owned Enterprises Number PER-04/MBU/2014, concerning Guidelines for Determining the Income of Directors, Board of Commissioners, and Supervisory Board of State-Owned Enterprises.
4. Regulation of the Minister of SOEs Number: PER-03/MBU/02/2015 concerning Requirements for the Procedures for Appointing and Dismissing Members of the Board of Directors of SOEs and its amendments.
5. Regulation of the Minister of SOEs Number: PER-03/MBU/2012 on Guidelines for the Appointment of Members of the Board of Directors and Members of the Board of Commissioners of SOE Subsidiaries.
6. The Articles of Association of PT Garuda Indonesia (Persero) Tbk as contained in Deed Number 8 dated March 4, 1975 made before Soeleman Ardjasmitra SH, Notary in Jakarta which has been amended several times and last amended by Deed Number 35 dated May 17, 2018 made before Aulia Taufani SH, Notary in Jakarta.

7. Financial Services Authority (OJK) Regulation Number: 33/POJK.04/2014 concerning Directors and Board of Commissioners of Issuers or Public Companies.
8. Financial Services Authority (OJK) Regulation Number: 34/POJK.04/2014 on the Nomination and Remuneration Committee of Issuers or Public Companies.

II. OBJECTIVES

The NRC was established to assist and strengthen the function of the Board of Commissioners in reviewing the nomination and remuneration system prepared by the Company and ensuring that the implementation of the system is in accordance with its objectives.

This NRC work guideline is prepared to be a guideline and guide for NRC members in carrying out their duties professionally and properly.

III. MEMBERSHIP

A. COMPOSITION OF MEMBERSHIP

Referring to the provisions of Financial Services Authority Regulation Number 34/POJK.04/2014 on the Nomination and Remuneration Committee of Issuers or Public Companies in Article 3 and based on the Decree of the Board of Commissioners Number JKTDW/SKEP/062/2012 regarding the Establishment of the Nomination and Remuneration Committee, the membership composition of the NRC of PT Garuda Indonesia (Persero) Tbk is as follows:

1. The NRC shall at least consist of 3 (three) members, with the following provisions:
 - a. 1 (one) chairman who is concurrently a member, who is an Independent Commissioner as a voting member, and
 - b. other members who may be from:
 - 1) Member of the Board of Commissioners as voting member;
 - 2) A party who holds a managerial position under the Board of Directors in charge of human resources (ex officio) as [non-voting member].
 - c. If deemed necessary, the number of committee members can be added by expert members who are not members of the Board of Commissioners.
2. If a member of the Board of Commissioners who is the chairman of the NRC or a member of the committee terminates before the end of his/her term as a member of the Board of Commissioners, such member may be replaced by another member of the Board of Commissioners subject to the provisions of the Financial Services Authority Regulation Number 34/POJK.04/2014 regarding the Nomination and Remuneration Committee of Issuers or Public Companies ("**POJK 34/2014**").
3. Committee members who are not members of the Board of Commissioners or from outside the Company may not concurrently become members of other Committees in the Company.

4. The appointment of NRC members is appointed by the Decree of the Board of Commissioners..

B. TERMS OF MEMBERSHIP

The NRC members must at least meet the following qualifications:

- a. Experienced in Nomination and/or Remuneration;
- b. Having high integrity, objectivity and ethics;
- c. Having an understanding of the management of the company, having adequate knowledge in the field of the company including and not limited to the provisions of laws and regulations applicable in the field of Capital Markets and can provide sufficient time to complete their duties;
- d. Able to be independent, namely being able to carry out duties professionally without conflict of interest and influence/pressure from any party that is not in accordance with applicable laws and regulations and sound corporate principles.
- e. The NRC members who are not the Board of Commissioners may not have:
 - 1) Affiliation with the Company, members of the Board of Directors, members of the Board of Commissioners, or Shareholders of the Company.
 - 2) Blood family relationship with the Board of Commissioners and Board of Directors up to the Second degree both straight line and sideways line or in-laws (sons/daughters-in-law and brothers/sisters in-laws).
 - 3) Personal interests either directly or indirectly with the company's material information.
 - 4) Not concurrently serving as a member of other committees owned by the Company.
 - 5) Employee or Board of Directors status of the company for the last 1 (one) year.
 - 6) Other positions with conflict of interest.
- f. The members of the Nomination and Remuneration Committee who are not members of the Board of Commissioners must make a written statement of anything or everything that has the potential to become a conflict of interest in the future or willingness to fulfil all the restrictions referred to in point 5 above, including but not limited to the ownership of company shares, which affects their competence and independence.
- g. Members of the Nomination and Remuneration Committee in carrying out their duties adhere to the principles of Good Corporate Governance: a) Transparency; b) Accountability; c) Responsibility; d) Independence; e) Fairness and Equality.
- h. Members of the Nomination and Remuneration Committee shall have the ability to communicate and create effective and constructive working relationships with fellow Committee members as well as with other parties in the Company.

C. APPOINTMENT/DISMISSAL AND TERM OF OFFICE

1. The NRC members are appointed and dismissed by the Board of Commissioners of the Company;
2. The term of office of NRC members who come from members of the Board of Commissioners is in accordance with their term of office as members of the Board of Commissioners;
3. The term of office of NRC members who are not members of the Board of Commissioners is 3 (three) years and are subject to appointment for a period of 2 (two) years, without prejudice to the right of the Board of Commissioners to dismiss them at any time if it is deemed that they are unable to carry out their duties properly.

D. HONORARIUM

1. Members of the Nomination and Remuneration Committee who are the Chairman or members of the Nomination and Remuneration Committee are not provided with additional income other than income as members of the Board of Commissioners.
2. Members of the NRC who come from outside the Company are given a monthly honorarium, the amount of which is determined by the Board of Commissioners.

IV. POSITION, DUTIES, AND RESPONSIBILITIES AS WELL AS AUTHORITY

A. KEDUDUKAN

The NRC has a position under the Board of Commissioners and is independent and therefore free from the influence of the Board of Directors and other parties and only receives assignments from the Board of Commissioners and is responsible to the Board of Commissioners.

B. DUTIES AND RESPONSIBILITIES

1. Assisting the Board of Commissioners to be able to submit suggestions in terms of:
 - a. Related to the Nomination function
 - 1) Conducting evaluations and providing recommendations to the Board of Commissioners regarding:
 - a) Composition of positions of members of the Board of Directors and/or members of the Board of Commissioners;
 - b) Policies and criteria required in the nomination process; and
 - c) Performance evaluation policies for members of the Board of Directors and/or members of the Board of Commissioners.

- 2) Assisting 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;
 - 3) Recommending the approval of the appointment of the Company's representatives in subsidiaries/affiliated companies, either as Directors or Board of Commissioners in the subsidiaries/affiliated companies.
 - 4) Assisting the Board of Commissioners in obtaining and analysing data on prospective candidates for the Board of Directors from the talent pool of officials one level below the Board of Directors.
 - 5) Providing recommendations to the Board of Commissioners regarding capacity building programs for members of the Board of Directors and/or members of the Board of Commissioners.
 - 6) Provide proposals/recommendations for qualified candidates for the Board of Directors to the Board of Commissioners to be submitted to the Series A Shareholders.
 - 7) Appointing a leading international executive search firm with a presence in Indonesia ("**Search Firm**") to, together with the NRC, identify and manage a pool of at least 5 (Ima) world-class Independent Commissioner candidates ("**Pool**") who meet the following requirements:
 - a) Regulation of OJK No. 34/2014, as amended, supplemented and changed from time to time;
 - b) regulations applicable to Indonesian State-Owned Enterprises;
 - c) The Company's Board Manual that applies from time to time; and
 - d) be an Indonesian national, or if not an Indonesian national, be fluent in the Indonesian language.
 - 8) Immediately submitting the list of Independent Commissioner candidates in the Pool to shareholders who exercise their nomination rights under Article 14 paragraph 12 of the Company's Articles of Association with a copy to the Series A Shareholders;
 - 9) Providing recommendations to the Board of Commissioners regarding independent parties who will become members of the NRC, Audit Committee and Business Development and Risk Monitoring Committee;
- b. Related to Remuneration function:
- 1) Conducting an evaluation of the remuneration system/policy based on performance, risk, fairness with peer groups, the Company's long-term goals and strategies, fulfilment of Reserves as stipulated in laws and regulations and the Company's potential future income.

- 2) Preparing and providing recommendations to the Board of Commissioners regarding:
 - a) Remuneration structure
 - b) Remuneration policy; and
 - c) Rate of remuneration
 - 3) Assisting the Board of Commissioners in providing recommendations on options to the Board of Commissioners, Board of Directors and Employees, including stock options and supervising their implementation.
 - 4) The structure, policy, and rate of remuneration for the Board of Commissioners and Board of Directors mentioned above are evaluated by the NRC at least once a year.
 - 5) Submitting evaluation results and providing recommendations to the Board of Commissioners regarding:
 - a) Remuneration policy for the Board of Directors and Board of Commissioners to be submitted to the Shareholders;
 - b) Remuneration policy for executive officers and employees as a whole to be submitted to the Board of Directors;
 - 6) Ensuring that all remuneration policies are in accordance with applicable regulations;
 - 7) Conducting periodic evaluations of the implementation of the remuneration policy;
 - 8) Assisting the Board of Commissioners in assessing performance with the suitability of remuneration received by each member of the Board of Directors and / or members of the Board of Commissioners.
2. Assisting the Board of Commissioners in the establishment of general Human Resources policies.
 3. Recommending approval of changes to the organizational structure up to one level below the Board of Directors.
 4. Conducting other duties assigned by the Board of Commissioners in relation to the nomination and remuneration function.

C. AUTHORITY

1. Requesting and/or obtaining information and/or statements from internal parties of the Company, namely employees, officers, Directors and other external parties.
2. If required by the Board of Commissioners, at a certain time the Committee may request a report from the work unit in charge of Human Capital (HC), Internal Audit and Risk

Management Unit of the Company in order to review policies and procedures with significant risk issues that may arise related to the nomination and remuneration system.

3. Having full, free and unrestricted access to information on the Company's remuneration policy.
4. If required by the Board of Commissioners, the Committee may review the Company's remuneration policies and procedures.
5. If necessary, the Committee may obtain data, information, advice, and recommendations from outside/independent professionals to carry out its duties at the expense of the Company.
6. Monitoring reviewing policies and limitations/authorities that exist in the Human Capital Management unit as well as accessing the unit.
7. Conducting evaluations prepared by the Human Capital Management unit together with the Company's management and following up on necessary actions for issues that are being and will be faced.
8. Facilitating the Human Capital Management Unit meeting forum with the Board of Commissioners to convey issues related to the remuneration of the Board of Directors.
9. Procedures for carrying out the duties and functions of the NRC are carried out based on the prevailing laws and regulations governing the NRC.

V. WORKING MECHANISM AND CONDITIONS

A. COMMITTEE MEETING

1. The meeting shall be attended by all members and if necessary, only by voting members.
2. The meeting can only be held if attended by at least ½ of the members including an Independent Commissioner and VP Human Capital.
3. The NRC meeting is held as needed and assigned by the Board of Commissioners, at least 1 (one) time in 3 (three) months.
4. The meeting is chaired by the Chairperson and a member appointed by the members present, if the Chairperson is absent.
5. If necessary, the NRC may conduct meetings/discussions with other committees in the Board of Commissioners.
6. The meeting resolutions shall be implemented based on consensus deliberation. In the event that there is no consensus, the resolutions shall be adopted based on a majority vote.
7. The results or resolutions of the meeting must be set forth in the minutes of the meeting signed by all members present and properly documented.

8. Dissenting opinions that occur in the Meeting must be clearly stated in the minutes of the meeting along with the reasons for the dissenting opinions.
9. The Committee shall report to the Board of Commissioners on any assignments given and or for any issues identified as requiring attention.

B. REKOMENDASI HASIL KERJA KOMITE

Recommendations on the work of the NRC to the Board of Commissioners must be approved by all Committee members present at the meeting.

C. ACCOUNTABILITY AND REPORTING

1. The NRC is responsible to the Board of Commissioners.
2. The accountability of the NRC is submitted to the Board of Commissioners on a regular basis 3 (three) monthly, annual report and report on the implementation of special tasks, if any.
3. The NRC's accountability report shall, at a minimum, report on:
 - a. Committee activities and achievements
 - b. Evaluation of NRC work implementation
 - c. Constraints faced by NRC
 - d. Improvement efforts to be made by the NRC.
4. The NRC is required to submit the Committee Work Plan and Budget annually.

VI. MISCELLANEOUS

1. Any costs incurred in connection with the implementation of the duties of the NRC shall be borne by the Company.
2. The NRC Charter will be reviewed periodically for adequacy and if necessary, will be updated or amended with the approval of the Board of Commissioners.