



PT LIPPO KARAWACI Tbk
Nomination and Remuneration Charter

CHAPTER I INTRODUCTION

Article 1 Definition

1. **Nomination and Remuneration Committee (“Committee”)** is a Committee that is established by and responsible to the Board of Commissioners to help perform its function and responsibilities that is associated with Nomination and Remuneration of the Board of Directors and Board of Commissioners.
2. **Nomination** is to appoint an individual to be assigned as the Board of Directors and Board of Commissioners.
3. **Remuneration** is a designated honorarium to be distributed to the Board of Directors and Board of Commissioners according to its duties, authorities and responsibilities.
4. **Independent Commissioner** is a member of the Board of Commissioners that is from the outside of the Company who meets the requirements to become an Independent Commissioner.
5. **Board of Commissioner** is an organ of the Company that has the duty to supervise generally and/or specifically and advise the Board of Directors.
6. **Board of Directors** is a member of the Company that is authorized and responsible for the whole affairs of the Company in terms of its interest, objective and the purpose of the Company. BOD is also responsible to represent the Company in and outside of the court.
7. **Organ of the Company** includes Board of Directors, Board of Commissioners and General Meeting of Shareholders.
8. **Company** is PT Lippo Karawaci Tbk that is a limited liability company that is build based on the laws of Indonesian Republic and obliged to the laws, acts and its changes.
9. **General Meeting of Shareholders (GMS)** is an organ of the Company that has the authority not given to Board of Directors or Board of Commissioner within a limit specified in the relevant acts and/or Article of Association. In this forum, shareholders have the right to get information related to the Company from the Board of Directors and/or Board of Commissioner regarding agendas discussed in the forum and does not conflict with the interest of the Company.

CHAPTER II
VISION, MISSION AND OBJECTIVES

Article 2
Vision

The Nomination and Remuneration Committee is formed to achieve the implementation of Good Corporate Governance Principles (GCG Principles).

Article 3
Mission

Committee is formed to help Board of Commissioner and its members to supervise process of the implementation of Nomination and Remuneration can run objectively, effectively and efficiently in order to enhance quality, competency, and responsibility of the Board of Directors and Board of Commissioner to achieve the vision of the Company.

Article 4
Objectives

1. This Charter of Nomination and Remuneration is made as a guideline so that the Nomination and Remuneration Committee can perform their duties and responsibilities efficiently, effectively, transparently, in accordance with applicable laws so that it can be accountable and accepted by interested parties.
2. Nomination and Remuneration Committee is a Committee that is formed by and is responsible to Board of Commissioners with its tasks of :
 - (a) Assisting Board of Commissioner to propose a candidate to be appointed as a member of Board of Directors or Board of Commissioners.
 - (b) Assisting Board of Commissioners to determine a designated honorarium to be distributed to the members of Board of Directors and Board of Commissioners for performing their duties.

CHAPTER III
ORGANIZATION STRUCTURE AND MEMBERSHIP

Article 5
Organization Structure

The Organization Structure of the Committee is determined by the Board of Commissioners.

Article 6 Membership

Committee Nomination and Remuneration must consist of at least 3 (three) members with the requirements of:

1. 1 (one) Chairman that acts as a member and is an Independent Commissioner; and
2. Other members can be from:
 - (a) Member of Board of Commissioners;
 - (b) A party outside of the Company; or
 - (c) A party that is in managerial level under the Board of Directors in division of Human Resources.

Article 7 Membership Requirements

1. Most of the members of the Committee (other than the Chairman) must not be from the officers that are in managerial level under the Board of Directors in division of Human Resources.
2. Number of other members as mentioned in article 6 para (2), <50% are from article 6 para (2) letter c.
3. The party that is from the outside of the Company must not have any affiliation with the Company, Board of Directors, Board of Commissioners or the Shareholders of the Company.
4. Members of the Committee must have experience related to Nomination and/or Remuneration.
5. Members of the Committee must not be in concurrent position to other Committees in the Company.
6. Members of Board of Directors cannot be a member of the Committee.

Article 8 Term of Office

1. Members of Committee can be appointed and dismissed based on the decision of the Board of Commissioners Meeting.
2. Members of Committee are appointed for a certain period of time (with considering article 8 para 3) and can be re-elected.
3. The term of office of the members of the Committee must not be longer than the term of office of the Board of Commissioners determined in the Article of Association.

4. The replacement of a member of the Committee who is not from the Board of Commissioners, shall be done no later than 60 (sixty) days since the member considered can no longer perform his duties.

**Article 9
Documentation**

Company shall document the decision of appointment and dismissal of members of the Nomination and Remuneration.

**CHAPTER IV
DUTIES AND RESPONSIBILITIES**

**Article 10
The Nature of the Duties and Responsibilities**

The Committee shall act independently in performing its duties and the Committee is directly responsible to the Board of Commissioners.

**Article 11
Duties Related To the Function of Nomination and Remuneration**

1. Related to the function of Nomination, the Committee has duties and responsibilities of :
 - (a) Giving recommendation to the Board of Commissioners regarding :
 - i. Composition of members' positions of the Board of Directors and/or members of Board of Commissioners;
 - ii. Policies and criteria required in the nomination process; and
 - iii. Performance evaluation policy for members of the BOD and/or members of the BOC.
 - (b) Helping the Board of Commissioners to evaluate the performance of members of the Board of Directors and/or members of the Board of Commissioners.
 - (c) Providing advices to increase capacity development programs of the Board of Directors/ the Board of Commissioners.
 - (d) Providing the proposed candidates who qualify as members of the Board of Directors/ members of the Board of Commissioners to the Board to be submitted to the General Meeting of Shareholders (GMS).
2. Related to the function of Remuneration :
 - (a) Giving recommendations to the Board of Commissioners regarding :
 - i. Remuneration structure;

- ii. Remuneration policies; and
 - iii. Giving advice about Remuneration.
- (b) To assist the BOC to assess the conformity of performance and remuneration received by each member of the BOD and/or members of the BOC.

Article 12
Procedures of Implementing the Function of Nomination and Remuneration

1. In implementing the function of Nomination, the Committee shall follow the procedures as follows:
- (a) To make the composition and process of nomination of the Board of Directors/ members of the Board of Commissioners;
 - (b) To make the policies and criteria needed in the Nomination process;
 - (c) To help the evaluation on performance of the members of Board of Directors and/or members of the Board of Commissioners;
 - (d) To develop a capacity-building program; and
 - (e) To review and propose the qualified candidates to the Board of Commissioners to be submitted to the GMS.
2. In implementing the function of Remuneration, the Committee shall perform the procedures as follows :
- (a) To make Remuneration structure for the members of Board of Directors and/or members of Board of Commissioners;
 - (b) To develop Remuneration policy for members of the Board of Directors and/or members of the Board of Commissioners; and
 - (c) Prepare the amount on remuneration for members of the Board of Directors and/or members of the Board of Commissioners.

Article 13
Remuneration Structure

1. Remuneration structure can be :
- (a) Salary;
 - (b) Honorarium;
 - (c) Incentive and/or;
 - (d) Fixed and/or variable benefits.
2. The structure, policies and amount of Remuneration must pay attention to :
- (a) The Remuneration applicable to the industry in accordance to the Company's business activities;

- (b) The duties, responsibilities and authorities of the Board of Directors and/or Board of Commissioner associated with the achievement of objectives and performance of the Company;
 - (c) The target performance / performance of each member of the Board of Directors and / or members of the Board of Commissioners; and
 - (d) The balance between the fixed and variable benefits.
3. The structure, policies and amount of Remuneration must be evaluated by the Committee at least 1 (one) time per year.

CHAPTER V IMPLEMENTATION MEETING

Article 14 Frequency

Committee meeting is regularly hosted at least 1 (one) time every 4 (four) months.

Article 15 Provisions of Implementing a Meeting

Committee meetings can only be done if:

- 1. Attended by a majority of the number of Committee; and
- 2. One of the majorities of the Committee is the Chairman.

Article 16 Procedures of Decision Making

- 1. The resolution of the Committee meeting is determined by consensus.
- 2. In the event of a decision by consensus is not reached, decisions are made by a majority vote.
- 3. If the decision-making by majority vote is the same number, the decision was taken by the Chairman of the Committee Nomination and Remuneration
- 4. In the case of the decision-making process there is a difference of opinion; differences of opinion shall be included in the minutes of the meeting and the reasons for such dissent.

Article 17
Documentation

1. The resolutions of the Committee meeting shall be written to the minutes of meetings and documented by the Company.
2. Minutes of Committee meetings shall be submitted in writing to the Board of Commissioners.

CHAPTER VI
REPORTING AND DISCLOSURE

Article 18
Reporting

1. Nomination and Remuneration Committee must report the duties, responsibilities, and procedures of the Nomination and Remuneration to the BOC.
2. These reports are part of the implementation of the duties of the Board of Commissioners and delivered in RUPS.

Article 19
Disclosure

1. The Company shall disclose the implementation of the related functions of the Nomination and Remuneration in :
 - (a) Annual Report.
 - (b) The Company's website.
2. Information on the implementation of the functions of the Nomination and Remuneration Committee are disclosed in the Company's annual report shall contain at least :
 - (a) A statement that the Company has guidelines for the implementation of the Nomination and Remuneration Committee both for those who has a Committee or not.
 - (b) A brief description of the duties and responsibilities of the Committee during the fiscal year.
3. Information on the implementation of the functions of the Nomination and Remuneration Committee which is disclosed in the website must at least contain :
 - (a) Guideline.
 - (b) A brief description of the duties and responsibilities of the Nomination and Remuneration Committee during the fiscal year.

CHAPTER VII PROHIBITIONS

Article 20 Prohibitions

1. Each member of the Committee may not take personal advantage directly or indirectly from the activities of the Company except a legitimate income.
2. Members of the Board of Commissioner who become the Chairman or members of the Committee are not given additional income other than income as the Board of Commissioners.

CHAPTER VIII CLOSING

Article 21 Enforcement and Improvement

1. Nomination and Remuneration Committee Charter will be valid from the date specified and all activities of the Nomination and Remuneration Committee shall abide by the rules of the date that has been set.
2. Nomination and Remuneration Committee Charter conform to the provisions of Regulation of Financial Services Authority that is assessed once every year in order to enhance the needs and development of the Company based on applicable regulations that has been determined.

Set in Lippo Karawaci

On 24 November 2015

Nomination and Remuneration Committee