



CITATAH

**WORKING GUIDELINES AND RULES OF
NOMINATION AND REMUNERATION COMMITTEE
PT CITATAH TBK (the "COMPANY")**

A. INTRODUCTION

PT Citatah Tbk, hereinafter referred to as the Company, a company duly established in Indonesia and listed as issuer in Indonesia Stock Exchange ("**IDX**"). In the event to operate its business activities thus the Company, as the public listed Company in IDX, has an obligation to fulfill all prevailing laws and regulations where the Company is listed.

The Board of Commissioners of the Company (the "**BoC**") needs to establish a Nomination and Remuneration Committee (the "**Committee**") to assist the BoC in carrying out its duties and functions for the Company to proceed following the principles of Good Corporate Governance.

Concerning that, the Committee shall draw up the binding Working Guidelines and Rules of the Committee for all Committee members in carrying out its duties and responsibilities, which are subsequently determined by the BoC.

B. LEGAL BASIS

This Working Guidelines and Rules of the Committee has prepared according to Financial Services Authority Regulation Number 34/POJK.04/2014 on Nomination and Remuneration Committee of Issuers or Public Companies

C. DEFINITION

1. Nomination is the appointment of a person to be a member of the Board of Directors (the "**BoD**") or the BoC.
2. Remuneration is honorarium determined and given to the members of the BoD and the BoC due to the positions and roles in accordance with the duties, responsibilities, and authorities of members of the BoD and the BoC.
3. Nomination and Remuneration Committee is a committee established by and responsible to the BoC in assisting the functions and duties of the BoC relating to the Nomination and Remuneration of the members of the BoC and the BoC.

D. DUTIES AND RESPONSIBILITIES

1. The Committee shall act independently in carrying out its duties as well as being accountable to the BoC.
2. Regarding the Nomination function:
 - a. Provide recommendations to the BoC regarding:
 - 1). The composition of the members of the BoD and/or the BoC;
 - 2). The policies and criteria required in the Nomination process; and
 - 3). Performance evaluation system for members of the BoD and/or the BoC.

- b. Based on the benchmarks that prepared as an assessment consideration, the Committee shall assist the BoC to assess the performance of members of the BoD and/or BoC.
 - c. Provide recommendations to the BoC regarding the self-development program of the members of the BoD and/or the BoC.
 - d. Propose candidates who are qualified as members of the BoD and/or the BoC to the BoC for submission to the General Meeting of Shareholders.
3. Regarding the remuneration function:
- a. Provide recommendations to the BoC regarding:
 - 1). The structure of Remuneration;
 - 2). The policy on Remuneration; and
 - 3). The amount of Remuneration.
 - b. Assist the BoC to assess the performance of the conformity of the Remuneration received by each member of the BoD and/or BoC.

E. ORGANISATION STRUCTURE AND TERM OF SERVICE

1. Membership Structure and Requirements

- a. The members of the Committee shall at least consist of 3 (three) members, subject to the following provisions:
 - 1). 1 (one) chairman concurrently member, who is an Independent Commissioner; and
 - 2). Other members who may come from:
 - a) Members of the BoC;
 - b) Parties from the Company or outside the Company; or
 - c) Persons occupying managerial positions under the Director who in charge of human resources.
- b. The other members of the Committee as referred to in letter a number 2) point c) are mostly unable from managerial positions under the Director who in charge of human resources.
- c. Members of the Committee who is coming from outside the Company as referred to in letter a number 2) shall fulfill certain provisions as follows:
 - 1). Has no affiliation with the Company, members of the BoD, members of the BoC, or the Main Shareholders of the Company;
 - 2). Have experience related to Nomination and/or Remuneration; and
 - 3). Not hold a concurrent position as a member of other committees owned by the Company.

- d. Members of the BoD of the Company may not be members of the Committee.

2. Appointment and Dismissal

- a. The members of the Committee are appointed and dismissed based on the decision of the BoC meeting.
- b. The replacement of members of Committee who is not originating from the BoC shall be conducted no later than 60 (sixty) days after the members of the Committee no longer performed their functions.
- c. The Company shall be documenting the decision of the appointment and dismissal of the members of the Committee.

3. Term of Service

- a. The members of the Committee shall be appointed for a specified term of service and may be re-appointed.
- b. The term of duty for members of the Committee shall not be longer than the length of service of the BoC as stipulated in the articles of association of 3 (three) years.

F. WORKING MECHANISM AND PROCEDURE

1. Nomination

The Committee shall:

- a. Arrange the composition and process of Nomination of members of the BoD and/or BoC;
- b. Formulate the policies and criteria which required in the appointment process of candidates for the members of the BoD and/or BoC;
- c. Assist in the evaluation of the performance of the members of the BoD and/or BoC;
- d. Prepare a self-development program for the members of the BoD and/or BoC; and
- e. Review and propose candidates who qualified as members of the BoD and/or BoC to the BoC for submission to the General Meeting of Shareholders.

2. Remuneration

- a. Concerning the remuneration function, the Committee shall establish the structure, policies, and amount of compensation for members of the BoD and BoC, taking into account the following matters:

- 1). Applicable remuneration in the similar industry and business scale;
 - 2). The duties, responsibilities, and authorities of the members of the BoD and BoC related to the achievement of the Company's objectives and performance;
 - 3). Performance or performance targets of each member of the BoD and BoC;
 - 4). The balance of allowances between fixed and variable.
- b. The structure of remuneration may be in the form of salary, honorarium, incentive, and/or compensation both fixed and/or variable.
- c. The Committee shall evaluate the structure, policies, and amount of Remuneration minimum 1 (one) time in 1 (one) year.

G. MEETING

1. Schedule

Committee Meetings shall be held periodically at least 1 (one) time in 4 (four) months.

2. Meeting Procedure

- a. The Committee meetings only can be held if:
- 1). Attended by a majority of the members of the Committee; and
 - 2). One of the majorities of the members of the Committee as referred to in point 1) is the Chair of the Committee.
- b. A meeting summons for each member of the Committee shall be made no later than 7 (seven) calendar days before the meeting. If there is urgent matter, this period may be shortened.
- c. Summoning the meeting shall contain the date, time, place, and agenda.
- d. The meetings shall be held at the location of domicile of the Company or the location of principal business of the Company within the territory of the Republic of Indonesia;
- e. If necessary, meetings may be held through media electronic such as teleconferencing, video conferencing, or others.

3. Decision Making

Decision-making based on deliberation to reach consensus. If deliberation to reach consensus is not reached, then the decision is taken by majority vote.

4. Minutes of Meeting

- a. The results of the meeting shall be outlined in minutes of meetings and submitted in writing to the BoC and documented by the Company.
- b. The minutes of the meeting shall include a dissenting opinion (if any) of the members of the Committee as well as the reasons for such dissent.

H. REPORTING AND DISCLOSURE

1. Reporting

- a. The Committee shall report on the implementation of Nomination and Remuneration duties, responsibilities and procedures to the BoC.
- b. Duties implementation report of the Committee is a part of the responsibilities implementation report of the BoC and submitted to the General Meeting of Shareholders.

2. Disclosure

The implementation of Nomination and Remuneration functions should be disclosed in the Company's annual report and website.

I. CLOSING

Working Guidelines and Rules of Committee is effective as of 9 May 2017, and may be periodically evaluated to conform to the development of applicable laws and regulations.

Under the Article 4 paragraph (3) of the Financial Services Authority Regulation No. 8/POJK.04.2015 on Web Site of Issuers or Public Companies, in the event there is any difference of interpretation between Indonesia language and foreign language in the disclosed information thus Indonesia language shall prevail.