

## **NOMINATION AND REMUNERATION COMMITTEE CHARTER PT IMPACK PRATAMA INDUSTRI TBK**

The Company's Board of Commissioners has established the Nomination and Remuneration Committee (“**NRC**”) based on the Decree of the Board of Commissioners of PT Impack Pratama Industri Tbk number: 021/IP-LEGAL/BOC/VII/2022 dated 11 July 2022 concerning the Establishment of the NRC, with the functions and duties of assisting The Board of Commissioners is related to the Nomination and Remuneration policy, and it is necessary to develop a work guideline for the Nomination and Remuneration Committee which is constantly evaluated and refined.

### **NOMINATION AND REMUNERATION COMMITTEE GUIDELINES**

The work guidelines of the Nomination and Remuneration Committee include:

1. Duties and Responsibilities
2. Membership, Term of Office and Procedure for Member Replacement
3. Work Procedure
4. Meetings
5. Activity Reporting System

The legal basis used in the formation of the Nomination and Remuneration Committee Guidelines are:

1. Law Number 8 of 1995 concerning the Capital Market;
2. Law Number 40 of 2007 concerning Limited Liability Companies;
3. Financial Services Authority Regulation No.34/POJK.04/2014 concerning the Nomination and Remuneration Committee of Issuers or Public Companies.

### **Duties and Responsibilities**

The duties and responsibilities of the KNR in carrying out the Nomination and Remuneration function referring to the Financial Services Authority Regulation Number 34/POJK.04/2014.

In the Nomination function, the NRC has the following duties and responsibilities:

1. Provide recommendations to the Board of Commissioners regarding:
  - a. composition of the 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 policy for members of the Board of Directors and/or members of the Board of Commissioners.
2. Assist 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. Provide recommendations to the Board of Commissioners regarding the capacity building program for members of the Board of Directors and/or

- members of the Board of Commissioners; and
4. Provide proposals for candidates who meet the requirements as members of the Board of Directors and/or members of the Board of Commissioners to the Board of Commissioners to be submitted to the GMS.

The functions of the Remuneration, Nomination and Remuneration Committee are as follows:

- i. Provide recommendations to the Board of Commissioners regarding:
  - a. remuneration structure;
  - b. policy on remuneration; and
  - c. amount of remuneration.
- ii. Assist the Board of Commissioners in assessing performance in accordance with the remuneration received by each member of the Board of Directors and/or member of the Board of Commissioners.

### **Membership, Term of Office and Membership Replacement Procedures**

The Nomination and Remuneration Committee shall consist of at least 3 (three) members, provided that:

1. 1 (one) chairman concurrently a member, who is an Independent Commissioner;
2. Other members who can come from:
  - a. Members of the Board of Commissioners;
  - b. Parties from outside the Company; or
  - c. Parties who occupy managerial positions under the Board of Directors in charge of human resources.
3. Members of the Nomination and Remuneration Committee who come from outside the Company have no affiliation with the major shareholders, members of the Board of Commissioners or members of the Board of Directors; and does not hold concurrent positions as other committee members of the Company.
4. Members of the Nomination and Remuneration Committee are appointed and dismissed based on the decision of the Board of Commissioners meeting, with a certain term of office and can be reappointed.
5. The term of office of the members of the Nomination and Remuneration Committee is no longer than the term of office of the Board of Commissioners as stipulated in the articles of association.
6. The replacement of members of the Nomination and Remuneration Committee who are not from the Board of Commissioners shall be made no later than 60 (sixty) days after the said member can no longer carry out his functions.

### **Work Procedures**

The Nomination and Remuneration Committee is required to act independently in

carrying out its duties and is responsible to the Board of Commissioners.

#### **A. Procedure for the Implementation of the Nomination Function**

In carrying out the Nomination function, the Nomination and Remuneration Committee has the duties and responsibilities to:

1. Provide recommendations to the Board of Commissioners regarding the composition and process of nomination of members of the Board of Directors and/or members of the Board of Commissioners;
2. Provide recommendations to the Board of Commissioners regarding the policies and criteria needed in the nomination process for candidates for members of the Board of Directors and/or members of the Board of Commissioners;
3. Assisting the Board of Commissioners in evaluating the performance of members of the Board of Directors and/or members of the Board of Commissioners;
4. Provide recommendations to the Board of Commissioners regarding the capacity building program for members of the Board of Directors and/or members of the Board of Commissioners; and
5. Reviewing and proposing candidates who meet the requirements as members of the Board of Directors and/or members of the Board of Commissioners to the Board of Commissioners to be submitted to the GMS.

#### **B. Procedure for the Implementation of the Remuneration Function**

In carrying out the Remuneration function, the Nomination and Remuneration Committee has the duties and responsibilities to:

1. Provide recommendations to the Board of Commissioners regarding the structure of Remuneration and policies on Remuneration for members of the Board of Directors and/or members of the Board of Commissioners;
2. Provide recommendations to the Board of Commissioners on the amount of Remuneration for members of the Board of Directors and/or members of the Board of Commissioners.

#### **Meeting Organizing**

1. In carrying out its duties and responsibilities, the Nomination and Remuneration Committee holds regular meetings at least 1 (one) time in 4 (four) months.
2. The Nomination and Remuneration Committee meeting can only be held if attended by a majority of the members of the Nomination and Remuneration Committee and one of them is the chairman of the Nomination and Remuneration Committee.

## Activity Reporting System

The Nomination and Remuneration Committee must report the implementation of the Nomination and Remuneration duties, responsibilities, and procedures to the Board of Commissioners.

The duties and responsibilities of the Nomination and Remuneration Committee are disclosed in the Company's Annual Report and the Company's website.

## NOMINATION POLICY FOR MEMBERS OF BOARD OF DIRECTORS AND MEMBERS OF BOARD OF COMMISSIONERS

The leadership regeneration process is an important part of the Company and continues to be a concern to ensure business continuity. In this case, the Board of Commissioners establishes a Nomination and Remuneration Committee, with one of its duties being to provide recommendations to the Board of Commissioners regarding the nomination process for members of the Board of Directors and members of the Board of Commissioners.

### Nomination Policy for Members of Board of Directors

#### A. Procedure for Nomination of Members of the Board of Directors

The procedures for the nomination of members of the Board of Directors that must be carried out by the KNR include the following:

1. Candidate proposals are prioritized from internal companies who have the potential, skills and abilities to become members of the Board of Directors.
2. If necessary, the Nomination and Remuneration Committee can advise the company to use consulting services from third parties engaged in human resources with a good reputation to find candidates for members of the Board of Directors.
3. The Nomination and Remuneration Committee will review and evaluate candidates based on the criteria set out in this policy.
4. Based on the review and assessment carried out, the Nomination and Remuneration Committee will provide recommendations to the Board of Commissioners to be proposed at the General Meeting of Shareholders.
5. The Board of Commissioners submits recommendations from the Nomination and Remuneration Committee at the General Meeting of Shareholders.
6. Determination and appointment of candidates as members of the Board of Directors after obtaining approval at the General Meeting of Shareholders.

#### B. Criteria for Members of Board of Directors

The criteria that must be met by candidates for members of the Company's Board of Directors include the following:

1. Have good character, morals and integrity;
2. Capable of carrying out legal actions;
3. Within 5 (five) years prior to appointment and while serving:
  - a. Never declared bankrupt
  - b. Never been a member of the Board of Directors and/or a member of the Board of Commissioners who was found guilty of causing a company to be declared bankrupt;
  - c. Never been convicted of a criminal act that was detrimental to state finances and/or related to the financial sector; and
  - d. Has never been a member of the Board of Directors and/or a member of the Board of Commissioners who during his tenure:
4. Has never held an annual General Meeting of Shareholders;
5. Their responsibilities as members of the Board of Directors and/or members of the Board of Commissioners have never been accepted by the General Meeting of Shareholders or have not provided accountability as members of the Board of Directors and/or members of the Board of Commissioners to the General Meeting of Shareholders; and
6. Has caused a company that obtained a permit, approval, or registration from the Financial Services Authority to fail to fulfill the obligation to submit an annual report and/or financial report to the Financial Services Authority.
7. Have a commitment to comply with the laws and regulations; and
8. Have knowledge and/or expertise and/or experience in the field required by the Company.

**C. Appointment and Term of Office of Members of the Board of Directors**

The appointment and term of office of members of the Board of Directors are as follows:

1. Members of the Board of Directors are appointed and dismissed by the General Meeting of Shareholders.
2. Members of the Board of Directors are appointed for a certain term of office and may be reappointed.
3. One term of office for members of the Board of Directors is a maximum of 5 (five) years or until the closing of the annual General Meeting of Shareholders at the end of the said 1 (one) term of office.

**3. Board of Directors Succession Policy**

In line with the importance of leadership succession for the sustainability of the organization, the Nomination and Remuneration Committee is tasked with providing recommendations regarding the procedures for selecting and/or appointing members of the Board of Directors to the Board of Commissioners.

In this case, recommendations regarding candidates for members of the Board of Directors given by the Nomination and Remuneration Committee must meet, among others, the criteria for integrity, professionalism, and expertise required by the Company.

Procedures related to the selection and/or appointment of members of the Board of Directors, as well as the criteria that become requirements are contained in the nomination policy for members of the Board of Directors.

Candidates selected through this policy mechanism will then be proposed by the Board of Commissioners through the General Meeting of Shareholders for approval.

## **BOARD OF COMMISSIONERS' NOMINATION POLICY**

### **A. Procedure for Nomination of Members of the Board of Commissioners**

The procedures for the nomination of members of the Board of Commissioners that must be carried out by the NRC include the following:

1. Preference will be given to candidates who have the potential, skills and abilities to become members of the Board of Commissioners.
2. If necessary, the Nomination and Remuneration Committee can provide advice to companies to use consulting services from third parties engaged in human resources with a good reputation to look for candidates for members of the Board of Commissioners.
3. The Nomination and Remuneration Committee will review and evaluate candidates based on the criteria set out in this policy.
4. Based on the review and assessment carried out, the Nomination and Remuneration Committee will provide recommendations to the Board of Commissioners to be proposed at the General Meeting of Shareholders.
5. The Board of Commissioners submits recommendations from the Nomination and Remuneration Committee at the General Meeting of Shareholders.
6. Determination and appointment of candidates as members of the Board of Commissioners after obtaining approval at the General Meeting of Shareholders.

### **B. Criteria for Members of the Board of Commissioners**

The criteria that must be met by candidates for members of the Company's Board of Commissioners are as follows:

1. Have good character, morals and integrity;
2. Capable of carrying out legal actions;
3. Within 5 (five) years prior to appointment and during office
  - a. Never declared bankrupt
  - b. Never been a member of the Board of Directors and/or a member of the Board of Commissioners who was found guilty of causing a company to be declared bankrupt;
  - c. Never been convicted of a criminal act that was detrimental to state finances and/or related to the financial sector; and
  - d. Has never been a member of the Board of Directors and/or a member

of the Board of Commissioners who during his tenure:

- i. has never held an annual General Meeting of Shareholders;
  - ii. their responsibilities as members of the Board of Directors and/or members of the Board of Commissioners have never been accepted by the General Meeting of Shareholders or have not provided accountability as members of the Board of Directors and/or members of the Board of Commissioners to the General Meeting of Shareholders; and
  - iii. has caused a company that obtained a permit, approval, or registration from the Financial Services Authority to fail to fulfill the obligation to submit an annual report and/or financial report to the Financial Services Authority.
4. Have a commitment to comply with the laws and regulations;
  5. Have knowledge and/or expertise and/or experience in the field required by the Company; and
  6. Do not have concurrent positions in excess of the applicable provisions (according to the Financial Services Authority Regulation Number 33/POJK.04/2014).

In addition to the above criteria, candidates for the Independent Board of Commissioners must meet other requirements, namely:

1. Not a person who works or has the authority and responsibility to plan, lead, control, or supervise the activities of the Company within the last 6 (six) months, except for reappointment as an Independent Commissioner of the Company in the following period;
2. Does not own shares either directly or indirectly in the Company;
3. Has no affiliation with the Company, members of the Board of Commissioners, members of the Board of Directors, or major shareholders of the Company; and
4. Has no business relationship either directly or indirectly related to the Company's business activities.

### **C. Appointment and Term of Office of Members of the Board of Commissioners**

The appointments and terms of office of members of the Board of Commissioners are as follows:

- i. Members of the Board of Commissioners are appointed and dismissed by the General Meeting of Shareholders.
- ii. Members of the Board of Commissioners are appointed for a certain term of office and may be reappointed.
- iii. One term of office for members of the Board of Commissioners is a maximum of 5 (five) years or until the closing of the annual General Meeting of Shareholders at the end of the said 1 (one) term of office.
- iv. Independent Commissioners who have served for 2 (two) terms of office may be reappointed in the next period as long as the Independent

Commissioner declares himself to be independent at the General Meeting of Shareholders. The independence statement must be disclosed in the annual report.

## **REMUNERATION POLICY FOR MEMBERS OF BOARD OF DIRECTORS AND BOARD OF COMMISSIONERS**

The remuneration policy for members of the Board of Directors and/or members of the Board of Commissioners is required to maintain and develop a quality management team, while still focusing on the company's business continuity.

The remuneration for members of the Board of Directors and the Board of Commissioners is determined and ratified at the General Meeting of Shareholders with due observance of the provisions of the Company's Articles of Association. In this case, one of the functions of the Nomination and Remuneration Committee is to provide input or recommendations to the Board of Commissioners regarding the remuneration of members of the Board of Directors and Board of Commissioners.

### **Remuneration Procedure**

1. The Nomination and Remuneration Committee reviews the remuneration for members of the Board of Directors and the Board of Commissioners, taking into account the indicators for determining remuneration.
2. If necessary, the Nomination and Remuneration Committee can advise the company to use consulting services from a third party with a good reputation to conduct a remuneration review.
3. Based on the study conducted, the Nomination and Remuneration Committee will make recommendations on the remuneration of members of the Board of Directors and Board of Commissioners.
4. Determination of remuneration for members of the Board of Directors and Board of Commissioners after obtaining approval at the General Meeting of Shareholders.

### **Remuneration Determination Indicator**

1. Indicators in determining remuneration for members of the Board of Directors and Board of Commissioners are as follows:
2. Achievement of company performance.
3. The company's financial condition and capability.
4. Inflation rate.
5. Individual performance achievement.



## **Remuneration Structure**

The remuneration structure for members of the Board of Directors and members of the Board of Commissioners may consist of:

1. Salary
2. Allowance
3. Bonuses and other facilities

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The Nomination and Remuneration Committee Charter was prepared in reference to the Financial Services Authority Regulation Number 34/POJK.04/2014 concerning the Nomination and Remuneration Committee for Issuers or Public Companies. If in the future there are deficiencies in its implementation, this charter will be corrected accordingly.

Set in: Jakarta

Date: July 11, 2022

**Board of Commissioners  
PT Impack Pratama Industri Tbk**



**Handojo Tjiptodihardjo**  
Komisaris Utama

**PT. Impack Pratama Industri Tbk**



**Kelvin Choon Jhen Lee**  
Komisaris Independen



**Lindawati**  
Komisaris