

***PT INDIKA ENERGY Tbk.***  
***Human Capital Committee Charter***

## HUMAN CAPITAL COMMITTEE CHARTER (THE “CHARTER”)

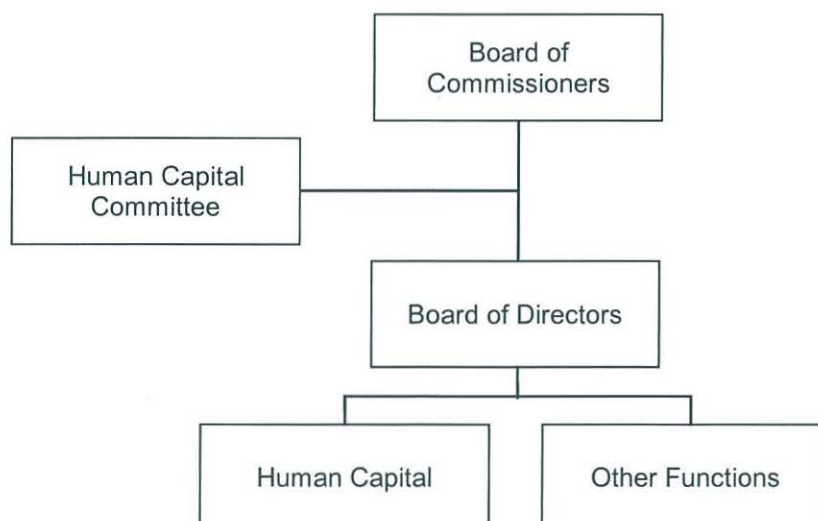
### I. Structure and Role of Human Capital Committee

The Human Capital Committee (the “Committee”) is appointed by the Board of Commissioners (the “BoC”) of PT Indika Energy Tbk. (the “Company”) to assist the Company’s BoC tasks, powers and responsibilities overseeing the Company’s management actions taken by the Board of Directors (“BoD”) in accordance with the Articles of Associations and the prevailing laws and regulations, specifically to support decision process ensuring that the Company stays aligned with the set and agreed vision, mission, destination statement and strategy.

The Committee has the overall responsibilities in nomination such as for providing recommendation to the BoC with regard to the composition of the Company’s BoD and/or BoC as well as the candidates to the BoD and BoC, policies and requirements for the nomination/appointment process, performance target, assisting the BoC to do the performance evaluation of BoD and/or BoC based on the benchmark listed, providing recommendation of skill development program of BoD and/or BoC, and providing name of proposed candidate of BoD and/or BoC to be presented to General Meeting of Shareholders (“GMS”), and responsibilities in remuneration such as providing BoC the recommendation of remuneration structure, policies, and amount, and also help BoC to gives performance evaluation in line with the remuneration accepted by the BoD and/or BoC.

The Committee is a committee that works and provides its deliverables independently to the BoC in accordance with the outlines of the primary responsibilities of the Committee and Committee’s work plan as set out in this Charter.

The report and recommendations of the Committee may be considered and used by the BoC in carrying out its duty, authority and oversight responsibility for the management of the Company by its BoD.



**Figure I : HC Committee position in Organization Structure**

## II. Main Responsibility

Main responsibilities of the Committee are to:

1. Provide recommendation to the BoC with regard to:
  - (a) composition of the Company's Senior Executive (as defined in point III.B.4 below);
  - (b) policies and requirements for the nomination/appointment process.
2. Oversee and administer the Company's Senior Executive and Executive (as defined in point III.B.4 below) measured remuneration structure, policies, plans and practices to ensure the fair and competitive remuneration of the Senior Executive, Executives and other key employees of the Company, including oversee the performance evaluation of the Company's Senior Executive to identify whether the remuneration received is conforming to the result of his/her performance evaluation.
3. Oversee the Company's long term, short term, annual or other periodic performance goals in relation to the performance target of the Senior Executive and Executives, including to recommend to the BoC of the skill development program for the Company's Senior Executive.
4. Oversee the Company's Senior Executive succession plans and practices.
5. Ensuring the Company comply with the laws, regulations and policies in relation to Human Capital.
6. Propose to the BoC the persons or candidates deemed qualify and meet the requirements as the Company's Senior Executive to be nominated and submitted in the GMS.
7. Oversee the management of employee engagement levels in the Company.

## III. Authority and Responsibilities

### A. Recommendation to the BoC of Company's Senior Executive and Executive

1. In consultation with the Senior Executive, establish the Company's general policy on the human capital, which includes the procedure for appointment, job description, recruitment procedure, evaluation, promotion, selection, term of appointment and number of people in the relevant positions for the Senior Executives and Executives.
2. The Committee shall nominate and recommend the replacement, re-appointment or dismissal of the member of the Senior Executives to the BoC. For the Senior Executive, the appointment shall be approved by the GMS of the Company pursuant to the Articles of Association of the Company.

### B. Remuneration

1. In consultation with the Senior Executive, develop and establish the Company's annual general remuneration compensation philosophy, principles, policies and practices for the Company's Senior Executive and Executive, which include the structure, policy and

remuneration amount, and oversee the development and implementation of compensation, benefit and perquisite programs. Oversight responsibility shall include periodic review of compensation, benefit and perquisite programs for consistency with compensation philosophy and corporate goals and selection of an appropriate peer group for purposes of evaluating the competitiveness of Executive compensation programs.

2. In developing the structure, policy and remuneration amount for the Company's Senior Executive, the Committee shall consider:
  - (a) Remuneration that valid in the related industry and scale of business of the related industry of listed or public company;
  - (b) Task, authority, and responsibility of the Senior Executive related to the goals achievement and performance of listed or public company;
  - (c) Performance targets and performance of each Senior Executive; and
  - (d) Balance of allowances which are fixed and variable.This structure, policy and remuneration amount shall be reviewed by the Committee minimum in once a year.
3. The Committee shall review and determine the base salaries and all other elements of compensation for the BoC and BoD (together shall be referred to as "**Senior Executive**"), and the base salaries and all other elements of compensation for the Executive, i.e.:
  - (a) all Executives of the Company who report directly to the Chief Executive Officer or Chief Operating Officer, and
  - (b) all other Executives of the Company at Vice President level and above.(all executives mentioned in point a and b above shall together referred to as "**Executives**").
4. The Committee shall review and recommend to the BoC of the Company the stock ownership and retention guidelines and any other proposal for the Senior Executive and Executives of the Company, including those relating to the incentive and/or equity compensation plans.
5. Upon the issuance of the guidelines mentioned in point B.6 above, the Committee shall review and determine, for further recommendation to the BoC of the Company, the awards for all employees eligible to participate in the stock option program, the performance share program, and similar compensation plans and programs involving equity of the Company. The "other elements of compensation" referred to above include each of the followings:
  - (a) annual and long-term incentive compensation;
  - (b) grants and awards under the Company's incentive compensation and equity-based compensation plans;
  - (c) special compensation awards; and
  - (d) special or supplemental benefits, fringe benefits, perquisites, expense reimbursement arrangements, and other similar arrangements (whether business or personal in nature) applicable primarily to the Executives Senior Executive of the Company and its subsidiaries, depending on the discretion of the Company.
6. The Committee shall have the authority to propose the issuance of the Company's shares as the implementation of the Company's Senior Executive and Executive compensation and benefits plans.
7. The Committee shall also:
  - (a) review and discuss with the Senior Executive the proposed Company's compensation practices and the relationship among risk, risk management and

compensation in light of the Company's objectives, including avoidance of compensation practices that would encourage excessive risk. For this purpose, the Committee will receive a report not less than annually from the Risk & Investment Committee. In light of this information, the Committee shall determine whether the compensation policies of the Company encourage excessive risk taking. The Committee shall make periodic reports of any and all such determinations to the BoC and to such other committees or persons at the BoC may from time to time direct;

- (b) following the information stipulated in point a above, review and approve the Company's compensation, incentive, equity, pension, and employee benefit plans and any significant changes to those plans, and
- (c) provide recommendation in a form of a Compensation Committee Report meeting for further report to the BoC.

### **C. Performance Target and Evaluation**

1. The Committee shall annually review and establish annual or other periodic performance goals and objectives of the Company relevant to the compensation of the Senior Executive and Executives, and evaluate whether the performance targets of the individual members of the Senior Executives and Executives have been achieved for purposes of determining the performance-based compensation. Annual and other periodic performance target and objectives established by the Committee shall be consistent with corporate goals on business strategy, leadership and other corporate matters established by the BoC.
2. The Committee shall meet annually with the CEO/President Director and COO/Vice President Director with respect to the evaluation of the CEO/President Director and COO/Vice President Director. The Committee may delegate to the Chairman of the Committee and/or any other person appointed by Committee to provide the feedback of the performance of CEO/President Director and COO/Vice President Director. In determining the long-term incentive component of the CEO/President Director and COO/Vice President Director's compensation, the Committee will consider, among other factors, the Company's performance, the CEO/President Director and COO/Vice President Director's individual performance during the period evaluated, the CEO/President Director and COO/Vice President Director's stock ownership status and performance target, the value of similar incentive awards to chief executive officers at comparable companies, the awards given to the CEO/President Director and COO/Vice President Director in past years and such other matters as the Committee deems appropriate.
3. Upon reviewing the performance targets of the other Senior Executive (except for the BoC members) and Executives, the Committee shall provide recommendations to the BoC. The BoC shall then provide the recommendations to BoD to be further informed to the relevant Senior Executive and Executives.
4. The HC Committee shall review and make recommendations to the BoC regarding to:
  - (a) people strategies and initiatives such as leadership development and cultural and diversity management of Senior Executive and Executives;
  - (b) employment agreements with the Senior Executive and Executives; and
  - (c) severance arrangements in general terms, and severance arrangements in relation to the change in control for the Senior Executive and Executives, to the extent that benefits under such severance arrangements are not generally applicable to employees of the Company or its subsidiaries.



**D. Succession Planning**

1. The Committee shall coordinate, as necessary, regarding succession planning of Company's Senior Executives and any other positions that are deemed required by the Committee.
2. Succession planning for Executives below the CEO/President Director is administered by the Human Capital function of the Company. Human Capital function shall report the result in annual basis to the Committee with clear development action plans and its status report.

**E. Employee Engagement Levels**

1. The Committee shall ensure that the survey(s) to the employees is/are conducted on a periodic basis and review the result thereof. The Committee shall then provide recommendations to the BoC as an action point following the result of the survey.
2. The Committee shall ensure that the employees are engaged at all levels.

**F. Compliance with the Laws, Regulations and Policies**

1. The Committee shall ensure the Company complies with the laws, regulations and policies in Indonesia and also updated with the normal practices currently valid in Indonesia.

**G. Other Authorities**

1. The Committee shall have the sole authority to retain and terminate any executive search consultant to be used to assist in the evaluation and recruitment of the talent market at the Senior Executive and Executives in the country and if necessary at the regional and global level, and shall have sole authority to approve the consultant's fees and other retention terms.
2. The Committee shall have the sole authority to retain and terminate any compensation consultant to be used to assist in the evaluation of the compensation of the Senior Executive and Executive and the Executives, and shall have sole authority to approve the consultant's fees and other retention terms in accordance with the Company's policies.
3. The Committee shall be assisted by the Company's human resources, legal and accounting staffs and other appropriate corporate staffs, and in addition, the Committee may obtain assistance from such other persons, who need not be employees of the Company, or organizations as it may deem appropriate, with the expenses incurred in their use to be paid by the Company. The foregoing authority includes the authority to retain, terminate and obtain advice and assistance from external legal, accounting or other advisors and consultants.
4. The Committee shall perform such duties as may, from time to time, be delegated by the Committee under the compensation and benefit plans of the Company or its subsidiaries and affiliates.

5. The Committee may appoint and delegate authority to subcommittees or other committees, as it deems appropriate.
6. The Committee shall exercise such other duties and responsibilities that are not stipulated in this Charter as may be assigned by the BoC from time to time.

#### **IV. HC Committee Membership, Meetings and Report**

##### **A. Membership**

1. The Committee shall consist of three or more members appointed by the BoC, one of the members shall be appointed as the Chairman of the Committee and one other member shall be appointed as the Secretary of the Committee. The Chairman of the Committee shall be Independent Commissioner of the Company.
2. Upon approval from the Chairman of the Committee, the Secretary of the Committee may request for assistance from a non-member, provided that the responsibilities set out in this Charter remain with the Secretary of the HC Committee. The Committee shall ensure that the appointee retains confidentiality.
3. The members of Committee shall comprise at least one or more the member of the BoC, but if necessary may also appoint an independent professionals from outside of the Company which having nomination, compensation, and remuneration principal expertise and human resources expertise, with requirements as follow:
  - (a) should have no affiliation with the Company, member of BoD-BoC or main shareholder of the Company,
  - (b) should have any experiences in relation to the nomination and/or remuneration; and
  - (c) should not hold any position as member of other committees in the Company.
4. The BoC shall have the power at any time to change the membership of the Committee and to fill vacancies on the Committee.
5. The members of the Committee are appointed by BoC's Decree for a period not more than the period of appointment of the BoC, and may be re-appointed.
6. The members of the Committee shall act independently and may perform its assignment independently, solely for the benefit of the Company, independent from any influence from any party having conflicted interest.
7. The membership of the Committee shall terminate or be terminated prior to his/her appointment period with the prior notification of 7 (seven) calendar days due to one or more of the following reasons, namely:
  - (a) withdraw but submitting a written resignation;
  - (b) is declared bankrupt by the Commercial Court;
  - (c) is named as suspect in a Criminal or Civil Court proceedings;
  - (d) according to the decision of the Company's BoC is no longer free, independent, and therefore no longer eligible to run the function and duties as the member of the Committee;
  - (e) according to the decision of the Company's BoC have a conflict of interest with the Company's group interest because they have interest, either directly or indirectly with the competitor.

8. The member of Committee which appointed as independent professionals from outside of the Company, shall be superseded at the latest 60 (sixty) days since those related member has no longer performs his functions and responsibilities.
9. The Committee shall comply with prevailing manpower and other related laws and regulations.

**B. Meetings of the Committee**

1. Except as otherwise required by the Articles of Association of the Company, a majority of the members of the Committee shall constitute a quorum for the meeting of Committee and the act of a majority of the members present at any meeting at which there is a quorum is considered as the act of the Committee, provided that the Chairman of the Committee must be among the majority attendance of the meetings.
2. The Committee may invite members of management (e.g. President Director, Vice President Director, CFO, Corporate Secretary, etc.) or other parties to attend the meetings by invitation and to provide information as necessary.
3. In the event one or more of the members of the Committee is unable to attend due to any reason whatsoever, the absent member can provide a proxy to any other members of the Committee.
4. The Secretary of the Committee or any people appointed by the Chairperson shall be responsible for scheduling all meetings of the Committee and providing the Committee with a written agenda for each meeting at least one working day before the meeting.
5. The Secretary of the Committee shall send the pre-read materials for the meeting at least one working day before the meeting.
6. A notice for Committee meeting shall be sent by the Secretary of the Committee at least seven days prior to the date set for the meeting, except otherwise waived upon approval of the members of the Committee present at the meeting.
7. The Committee shall be held at least every quarter, and one of them is a meeting with the agenda and for a decision of the performance achievement of the Senior Executive and Executives.
8. The Committee shall meet at least annually with the CEO/President Director and COO/Vice President Director to review/evaluate the CEO/President Director's and COO/Vice President Director's performance.
9. The Committee meeting shall be chaired by the Chairman of the Committee, the Committee's meeting could not be held if the Chairman of the Committee is not present, based on POJK 34 Article 12.
10. The Committee's meeting shall be held based in deliberation, if the deliberation is not reached, decision are taken by the majority vote. In the event differences of opinion, those opinions shall be written in minutes of meeting of the Committee, and reason behind the differences of opinion.
11. The Secretary or any members/person appointed by the Committee shall prepare the minutes of meeting of the Committee meeting, to be further distributed in written form to

all members of the BoC, to be further conveyed by the BoC to the BoD, as necessary, for any follow up actions that need to be taken.

12. The resolution of the Committee may be issued in lieu of a meeting by a circulated decision provided that the decision is signed and approved by all members of the HC Committee, including the Chairman. This resolution made in lieu of the meeting shall have the same legal force as the resolution made in the meeting.
13. The Committee may adopt such other rules and regulations for calling and holding its meetings and for the transaction of business at such meetings as is necessary or desirable and not inconsistent with the provisions of the Articles of Association of the Company or this Charter.

#### **C. Committees Report**

1. The Committee shall make regular reports to the BoC, and all actions of the Committee shall be reported to the BoC at the next regular meeting of the BoC. Those reports shall be deemed as part of the BoC Performance Report to be submitted to the GMS.
2. The Committee shall issue a report on its performance for the nomination and remuneration function on an annual basis, including report on Senior Executive and Executive compensation of the Company, which shall be reported in the annual report and the Company's website. The Committee also provides oversight to achieve alignment with other key people-related business strategies.

#### **V. Miscellaneous**

1. The Committee shall review and reassess the adequacy of this Charter and the composition of the Committee annually and recommend any proposed changes to the BoC for approval.
2. The Committee shall annually review its own performance and report such evaluation to the BoC.
3. The members of the Committee shall retain all confidential information, data and documents obtained by them in relation to their positions and are prohibited to use information, data and documents obtained by them for their personal use.

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Jakarta,  
Human Capital Committee  
PT Indika Energy Tbk.



**M. Chatib Basri**  
Committee Chair



**Agus Lasmono**  
Committee Member

Approve



**Agus Lasmono**  
President Commissioner