

**PEDOMAN
KOMITE
NOMINASI &
REMUNERASI**

**GUIDELINES OF
NOMINATION &
REMUNERATION
COMMITTEE**

PT Charoen Pokphand Indonesia Tbk



Jakarta, 27 November 2015

Jakarta, 27 November 2015

1. PENDAHULUAN

A. Latar Belakang

PT Charoen Pokphand Indonesia Tbk ("Perseroan") didirikan di Indonesia dengan nama PT Charoen Pokphand Indonesia Animal Feedmill Co. Limited, berdasarkan akta pendirian yang dimuat dalam Akta No. 6 tanggal 7 Januari 1972, yang dibuat dihadapan Drs. Gde Ngurah Rai, SH, Notaris di Jakarta, sebagaimana telah diubah dengan Akta No. 5 tanggal 7 Mei 1973 yang dibuat dihadapan Notaris yang sama. Akta pendirian tersebut telah disahkan oleh Menteri Kehakiman Republik Indonesia dengan Surat Keputusan No. YA-5/197/21 tanggal 8 Juni 1973 dan telah didaftarkan pada Kepaniteraan Pengadilan Negeri Jakarta Pusat di bawah No. 2289 tanggal 26 Juni 1973, serta telah diumumkan dalam Berita Negara No. 65 tanggal 14 Agustus 1973, Tambahan No. 573.

Anggaran Dasar Perseroan tersebut telah diubah, terakhir dengan Akta Notaris Fathiah Helmi, SH No. 94 tanggal 19 Juni 2015. Akta tersebut telah diterima dan dicatat oleh Kementerian Hukum dan Hak Asasi Manusia Republik Indonesia dalam Surat No. AHU-AH.01.03-0949604 tanggal 8 Juli 2015.

Perseroan memiliki kantor pusat di Jalan Ancol VIII No. 1, Kelurahan Ancol Barat, Kecamatan Pademangan, Jakarta Utara, Indonesia.

Maksud dan tujuan Perseroan adalah industri, peternakan dan perdagangan.

Untuk mencapai maksud dan tujuan tersebut, kegiatan usaha Perseroan adalah:

- a. Kegiatan usaha utama :
 - Industri makanan ternak, pembibitan dan budidaya ayam ras serta pengolahannya, industri pengolahan makanan, pengawetan daging ayam dan sapi, termasuk unit-unit cold storage.
 - Menjual makanan ternak, makanan, daging ayam dan sapi, bahan-bahan asal hewan di Wilayah Republik Indonesia, maupun ke luar negeri dengan sejauh diizinkan berdasarkan peraturan perundang-undangan yang berlaku.
- b. Kegiatan penunjang :
 - Mengimpor dan menjual bahan-bahan baku dan bahan-bahan farmasi.
 - Memproduksi dan menjual karung atau kemasan plastik, peralatan industri dari plastik, alat-alat

1. INTRODUCTION

A. Background

PT Charoen Pokphand Indonesia Tbk ("the Company") was established in Indonesia with the name of PT Charoen Pokphand Indonesia Animal Feedmill Co. Limited, based on deed of establishment as contained in Deed No. 6 dated 7 January 1972, made before Drs. Gde Ngurah Rai, SH, Notary in Jakarta, as amended by Deed No. 5 dated 7 May 1973 before the same Notary. Such deed of establishment was approved by the Minister of Justice of the Republic of Indonesia by virtue of the Decree No. YA-5/197/21 dated 8 June 1973 and was registered at the Registrar Office of Central Jakarta District Court under No. 2289 dated 26 June 1973, and was published in the State Gazette No. 65 dated 14 August 1973, Supplement No. 573.

Such Articles of Association of the Company have been amended, most recently by Deed made before Notary Fathiah Helmi, SH No. 94 dated 19 June 2015. This amendment has been received and recorded by the Ministry of Law and Human Rights of the Republic of Indonesia by virtue of the Letter No. AHU-AH.01.03-0949604 dated 8 July 2015.

The Company has its head office at Jl. Ancol VIII No. 1, West Ancol Village, Pademangan Sub District, North Jakarta, Indonesia.

The purpose and objective of the Company are industry, farm and trade.

In order to achieve the purpose and objective, the Company's business activities are:

- a. The main business activities:
 - Manufacture of animal feed, breeding and cultivation of broilers and its processing, food processing industry, preservation of chicken and beef, including cold storage units.
 - Trading of animal feeds, foods, chicken and beef, products of animal origin in the Territory of the Republic of Indonesia, as well as abroad to the extent permitted by the legislation in force.
- b. Supporting activities:
 - Importing and selling raw materials and pharmaceutical materials.
 - Producing and selling sacks or plastic packaging, industrial equipment made of

peternakan, dan alat-alat rumah tangga dari plastik sesuai dengan perizinan yang dimiliki dan tidak bertentangan dengan peraturan di bidang penanaman modal.

- Melakukan perdagangan besar pada umumnya, termasuk ekspor-impor, perdagangan interinsular atau antar pulau atau antar daerah.
- Melakukan kegiatan pengangkutan barang-barang pada umumnya, baik pengangkutan darat, perairan, laut dan udara.
- Menjalankan usaha pergudangan dan pusat distribusi.

Pembentukan Komite Nominasi dan Remunerasi pada Perseroan merupakan bagian integral dari upaya Perseroan menerapkan Good Corporate Governance dan didasarkan pada Peraturan Otoritas Jasa Keuangan No. 34/POJK.04/2014 tanggal 8 Desember 2014 tentang Komite Nominasi dan Remunerasi Emiten Atau Perusahaan Publik.

Untuk memperjelas tugas pokok dan fungsi dari Komite Nominasi dan Remunerasi maka dalam menjalankan fungsinya tersebut diperlukan adanya Pedoman Komite Nominasi dan Remunerasi yang ditetapkan oleh Dewan Komisaris Perseroan dan mengikat kepada setiap anggota Komite Nominasi dan Remunerasi.

B. Landasan Hukum

- Undang-Undang No. 40 Tahun 2007 tentang Perseroan Terbatas.
- Peraturan Otoritas Jasa Keuangan No. 34/POJK.04/2014 tanggal 8 Desember 2014 tentang Komite Nominasi dan Remunerasi Emiten Atau Perusahaan Publik.
- Anggaran Dasar Perseroan.

2. DEFINISI, TUGAS, TANGGUNG JAWAB DAN WEWENANG

A. Definisi Komite Nominasi dan Remunerasi

Komite Nominasi dan Remunerasi adalah komite yang dibentuk oleh dan bertanggung jawab kepada Dewan Komisaris dalam membantu melaksanakan fungsi dan tugas Dewan Komisaris terkait Nominasi dan Remunerasi terhadap anggota Direksi dan anggota Dewan Komisaris.

Nominasi adalah pengusulan seseorang untuk diangkat dalam jabatan sebagai anggota Direksi atau anggota Dewan Komisaris.

Remunerasi adalah imbalan yang ditetapkan dan diberikan kepada anggota Direksi dan anggota Dewan Komisaris karena kedudukan dan peran yang diberikan sesuai

plastic, farm tools, and household appliances made of plastic in accordance with the license owned and is not contrary to the regulations in the field of investment.

- Conducting a general wholesale, including export-import, inter-insular or inter-island trade or trade between regions.
- Conducting general transportation of goods, either land, water, sea and air transportation.
- Running a business of warehousing and distribution center.

The establishment of the Company's Nomination and Remuneration Committee is an integral part of the Company's measures to implement Good Corporate Governance and is based on Regulation of the Financial Services Authority No. 34/POJK.04 /2014 dated 8 December 2014 concerning the Nomination and Remuneration Committee of Issuers or Public Companies.

To clarify the main duties and functions of the Nomination and Remuneration Committee in carrying out such functions, it is necessary to have Guidelines of Nomination and Remuneration Committee determined by the Board of Commissioners of the Company and it shall be binding to every member of the Nomination and Remuneration Committee.

B. Legal Foundation

- Law No. 40 of 2007 concerning Limited Liability Companies.
- Regulation of the Financial Services Authority No. 34/POJK.04 /2014 dated 8 December 2014 concerning the Nomination and Remuneration Committee of Issuers or Public Companies.
- The Articles of Association of the Company.

2. DEFINITION, DUTIES, RESPONSIBILITIES AND AUTHORITIES

A. Definition of Nomination & Remuneration Committee

Nomination and Remuneration Committee is a committee established by and responsible to the Board of Commissioners in assisting the functions and duties of the Board of Commissioners relating to the Nomination and Remuneration of the members of the Directors and the Board of Commissioners.

Nomination is the nomination of a person to be appointed to position as a member of the Directors or the Board of Commissioners.

Remuneration is honorarium determined and given to the members of the Directors and the Board of

dengan tugas, tanggung jawab, dan wewenang anggota Direksi dan anggota Dewan Komisaris.

B. Tugas dan Tanggung Jawab Komite Nominasi dan Remunerasi

- a. Memberikan rekomendasi kepada Dewan Komisaris mengenai: (1) komposisi jabatan anggota Direksi dan/atau anggota Dewan Komisaris; (2) kebijakan dan kriteria yang dibutuhkan dalam proses Nominasi; dan (3) kebijakan evaluasi kinerja bagi anggota Direksi dan/atau anggota Dewan Komisaris.
- b. Membantu Dewan Komisaris melakukan penilaian kinerja anggota Direksi dan/atau anggota Dewan Komisaris berdasarkan tolok ukur yang telah disusun sebagai bahan evaluasi.
- c. Memberikan rekomendasi kepada Dewan Komisaris mengenai program pengembangan kemampuan anggota Direksi dan/atau anggota Dewan Komisaris.
- d. Memberikan usulan calon yang memenuhi syarat sebagai anggota Direksi dan/atau anggota Dewan Komisaris kepada Dewan Komisaris untuk disampaikan kepada Rapat Umum Pemegang Saham.
- e. Memberikan rekomendasi kepada Dewan Komisaris mengenai: (1) struktur Remunerasi; (2) kebijakan atas Remunerasi; dan (3) besaran atas Remunerasi.
- f. Membantu Dewan Komisaris melakukan penilaian kinerja dengan kesesuaian Remunerasi yang diterima masing-masing anggota Direksi dan/atau anggota Dewan Komisaris.

Commissioners due to the positions and roles in accordance with the duties, responsibilities, and authorities of members of the Directors and the Board of Commissioners.

B. Duties And Responsibilities of the Nomination And Remuneration Committee

- a. Providing recommendation to the Board of Commissioners regarding: (1) the composition of office of the members of the Directors and/or members of the Board of Commissioners; (2) policies and criteria required in the Nomination process; and (3) performance evaluation policy for members of the Directors and/or members of the Board of Commissioners.
- b. Assisting the Board of Commissioners to assess the performance of members of the Directors and/or members of the Board of Commissioners based on the benchmarks that have been made as an evaluation consideration.
- c. Providing recommendation to the Board regarding the capacity development program of the members of the Directors and/or members of the Board of Commissioners.
- d. Proposing candidates who are qualified as members of the Directors and/or members of the Board of Commissioners to the Board of Commissioners to be submitted to the General Meeting of Shareholders.
- e. Providing recommendation to the Board of Commissioners regarding: (1) the structure of Remuneration; (2) the policy on Remuneration; and (3) the amount of Remuneration.
- f. Assisting the Board of Commissioners to assess the performance with the conformity of the Remuneration received by each member of the Directors and/or members of the Board of Commissioners.

3. KEANGGOTAAN

- a. Komite Nominasi dan Remunerasi terdiri dari 3 (tiga) orang anggota, yaitu: (1) Komisaris Independen Perseroan yang merangkap sebagai ketua; (2) salah satu anggota Dewan Komisaris Perseroan; dan (3) pihak yang menduduki jabatan manajerial di bawah Direksi Perseroan yang membidangi sumber daya manusia.
- b. Anggota Komite Nominasi dan Remunerasi diangkat dan diberhentikan berdasarkan keputusan Rapat Dewan Komisaris.
- c. Anggota Komite Nominasi dan Remunerasi diangkat untuk masa jabatan 5 (lima) tahun atau sama dengan masa jabatan anggota Dewan Komisaris dan dapat diangkat kembali.

3. MEMBERSHIP

- a. Nomination and Remuneration Committee consists of three (3) members, namely: (1) Independent Commissioner of the Company who serves as chairman; (2) one member of the Board of Commissioners of the Company; and (3) a person who occupies a managerial position under the Directors in charge of human resources field.
- b. Nomination and Remuneration Committee members shall be appointed and dismissed based on resolutions of meeting of the Board of Commissioners.
- c. Nomination and Remuneration Committee members shall be appointed for a term of office of 5 (five) years or equal to the term of office of members of the Board of Commissioners and may be reappointed.

- d. Penggantian anggota Komite Nominasi dan Remunerasi yang bukan berasal dari Dewan Komisaris dilakukan paling lambat 60 (enam puluh) hari sejak anggota Komite Nominasi dan Remunerasi dimaksud tidak dapat lagi melaksanakan fungsinya.

4. TATA CARA DAN PROSEDUR KERJA

A. Nominasi

- a. Menyusun komposisi dan proses Nominasi anggota Direksi dan/atau anggota Dewan Komisaris.
- b. Menyusun kebijakan dan kriteria yang dibutuhkan dalam proses Nominasi calon anggota Direksi dan/atau anggota Dewan Komisaris.
- c. Membantu pelaksanaan evaluasi atas kinerja anggota Direksi dan/atau anggota Dewan Komisaris.
- d. Menyusun program pengembangan kemampuan anggota Direksi dan/atau anggota Dewan Komisaris.
- e. Menelaah dan mengusulkan calon yang memenuhi syarat sebagai anggota Direksi dan/atau anggota Dewan Komisaris kepada Dewan Komisaris untuk disampaikan kepada Rapat Umum Pemegang Saham.

B. Remunerasi

- a. Menyusun struktur Remunerasi (gaji, honorarium, insentif dan/atau tunjangan tetap dan/atau variable) bagi anggota Direksi dan/atau anggota Dewan Komisaris.
- b. Menyusun kebijakan atas Remunerasi bagi anggota Direksi dan/atau anggota Dewan Komisaris.
- c. Menyusun besaran atas Remunerasi bagi anggota Direksi dan/atau anggota Dewan Komisaris.
- d. Penyusunan struktur, kebijakan dan besaran Remunerasi harus memperhatikan: (1) Remunerasi yang berlaku pada industri sesuai dengan kegiatan usaha Perseroan yang sejenis dan skala usaha dari Perseroan dalam industrinya; (2) Tugas, tanggung jawab dan wewenang anggota Direksi dan/atau anggota Dewan Komisaris dikaitkan dengan pencapaian tujuan dan kinerja Perseroan; (3) Target kinerja atau kinerja masing-masing anggota Direksi dan/atau anggota Dewan Komisaris; dan (4) Keseimbangan tunjangan antara yang bersifat tetap dan bersifat variabel.

- d. Replacement of a member of the Nomination and Remuneration Committee who is not a member of the Board of Commissioners shall be conducted no later than 60 (sixty) days from the day when such member of the Nomination and Remuneration Committee can no longer carry out his/her functions.

4. WORKING METHODS AND PROCEDURES

A. Nomination

- a. Preparing composition and Nomination process of members of the Directors and/or members of the Board of Commissioners.
- b. Preparing policies and criteria required in the process of Nomination of candidates of the members of the Directors and/or the Board of Commissioners.
- c. Assisting the implementation of the evaluation of the performance of members of the Directors and/or members of the Board of Commissioners.
- d. Preparing capacity development program of the members of the Directors and/or members of the Board of Commissioners.
- e. Reviewing and proposing candidates who are qualified as members of the Directors and/or members of the Board of Commissioners to the Board of Commissioners to be submitted to the General Meeting of Shareholders.

B. Remuneration

- a. Preparing Remuneration structure (salary, honorarium, incentive and/or fixed and/or variable allowances) for members of the Directors and/or members of the Board of Commissioners.
- b. Preparing a policy on Remuneration for the members of the Directors and / or members of the Board of Commissioners.
- c. Determining the amount of Remuneration for the members of the Directors and / or members of the Board of Commissioners.
- d. The preparation of the structure, policy and the amount of Remuneration policies must be conducted with due observance to: (1) Remuneration applicable to the industry in accordance with the similar Company's business activities and scale of business of the Company in its industry; (2) Duties, responsibilities and authorities of members of the Directors and/or members of the Board of Commissioners associated with the achievement of objectives and performance of the Company; (3) Performance target or performance of each member of the Directors and/or members of the Board of Commissioners; and (4) The balance between the benefits, which are fixed and variable.

- e. Struktur, kebijakan dan besaran Remunerasi yang telah ditetapkan harus dievaluasi oleh Komite Nominasi dan Remunerasi paling kurang 1 (satu) kali dalam 1 (satu) tahun.

- e. Structure, policy and amount of Remuneration, which has been determined must be evaluated by the Nomination and Remuneration Committee at least 1 (one) time in 1 (one) year.

5. PENYELENGGARAAN RAPAT

- a. Rapat Komite Nominasi dan Remunerasi diselenggarakan secara berkala paling kurang 1 (satu) kali dalam 4 (empat) bulan.
- b. Rapat Komite Nominasi dan Remunerasi hanya dapat diselenggarakan apabila: (1) dihadiri oleh mayoritas dari jumlah anggota Komite Nominasi dan Remunerasi; dan (2) dihadiri oleh Ketua Komite Nominasi dan Remunerasi.
- c. Keputusan Rapat Komite Nominasi dan Remunerasi dilakukan berdasarkan musyawarah mufakat. Dalam hal keputusan berdasarkan musyawarah mufakat tidak tercapai, pengambilan keputusan dilakukan berdasarkan suara terbanyak.
- d. Dalam hal proses pengambilan keputusan terdapat perbedaan pendapat, perbedaan pendapat tersebut wajib dimuat dalam risalah rapat beserta alasan perbedaan pendapat tersebut.
- e. Hasil Rapat Komite Nominasi dan Remunerasi wajib dituangkan dalam risalah rapat dan didokumentasikan oleh Perseroan serta disampaikan secara tertulis kepada Dewan Komisaris.

6. PENGUNGKAPAN DAN PELAPORAN

- a. Komite Nominasi dan Remunerasi harus melaporkan pelaksanaan tugas, tanggung jawab dan prosedur Nominasi dan Remunerasi yang dijalankan kepada Dewan Komisaris. Laporan tersebut merupakan bagian dari Laporan Dewan Komisaris dan disampaikan dalam Rapat Umum Pemegang Saham.
- b. Perseroan wajib mengungkapkan pelaksanaan fungsi terkait Nominasi dan Remunerasi dalam Laporan Tahunan, yang memuat: (1) pernyataan bahwa Perseroan telah memiliki Pedoman Komite Nominasi dan Remunerasi dan (2) uraian singkat mengenai pelaksanaan tugas dan tanggung jawab Komite Nominasi dan Remunerasi dalam tahun buku.
- c. Perseroan wajib mengungkapkan pelaksanaan fungsi terkait Nominasi dan Remunerasi dalam situs web

5. IMPLEMENTATION OF MEETING

- a. Meeting of the Nomination and Remuneration Committee shall be held periodically at least 1 (one) time in 4 (four) months.
- b. Meeting of the Nomination and Remuneration Committee may only be held if: (1) attended by the majority of the members of the Nomination and Remuneration Committee; and (2) attended by the Chairman of the Nomination and Remuneration Committee.
- c. Resolution of the meeting the Nomination and Remuneration Committee shall be conducted based on amicable discussion to achieve consensus. In the event that a resolution based on amicable discussion and consensus cannot be achieved, the resolution shall be made based on a majority vote.
- d. In the event that in the process of adopting resolutions, there is any disagreement, such disagreement must be contained in the minutes of meeting by stating the reasons of such disagreement.
- e. The result of the Meeting of the Nomination and Remuneration Committee must be set out in the minutes of meetings and documented by the Company and shall be presented in writing to the Board of Commissioners.

6. REPORTING AND ACCOUNTABILITY

- a. The Nomination and Remuneration Committee must report the execution of duties, responsibilities and procedures of the Nomination and Remuneration which have been implemented to the Board of Commissioners. Such report constitutes a part of the Report of the Board of Commissioners and shall be submitted to the General Meeting of Shareholders.
- b. The Company must disclose the implementation of the related functions of the Nomination and Remuneration Committee in the Annual Report, which shall include: (1) a statement that the Company has Guidelines Code of Nomination and Remuneration Committee and (2) a brief description of the implementation of the duties and responsibilities of the Nomination and Remuneration Committee during the financial year.
- c. The Company must disclose the implementation of the functions relating to the Nomination and Remuneration in

Perseroan, yang memuat: (1) Pedoman Komite Nominasi dan Remunerasi dan (2) uraian singkat mengenai pelaksanaan tugas dan tanggung jawab Komite Nominasi dan Remunerasi dalam tahun buku.

the Company's website, which shall include: (1) the Guidelines of Nomination and Remuneration Committee and (2) a brief description of the implementation of the duties and responsibilities of the Nomination and Remuneration Committee during the financial year.

7. PENUTUP

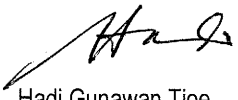
- a. Pedoman Komite Nominasi dan Remunerasi ini berlaku efektif sejak disetujui oleh Dewan Komisaris.
- b. Pedoman Komite Nominasi dan Remunerasi ini dievaluasi secara berkala untuk disesuaikan dengan perkembangan peraturan yang berlaku.

Jakarta, 27 November 2015

Ditetapkan oleh



Jiacipto Jiaravanon
Wakil Presiden Komisaris / Vice President Commissioner



Hadi Gunawan Tjoe
Presiden Komisaris / President Commissioner



Jialipto Jiaravanon
Wakil Presiden Komisaris / Vice President Commissioner



T. Thomas Effendy
Wakil Presiden Komisaris / Vice President Commissioner



Herman Sugianto
Komisaris Independen / Independent Commissioner



Suparman S.
Komisaris Independen / Independent Commissioner

7. CLOSING

- a. Guidelines of Nomination and Remuneration Committee shall be effective as of the approval from the Board of Commissioners.
- b. Guidelines of Nomination and Remuneration Committee shall be periodically evaluated to adjust to the development of the prevailing regulations.

Jakarta, 27 November 2015

Resolved by