



NOMINATION AND REMUNERATION COMMITTEE CHARTER

PT BFI Finance Indonesia Tbk, hereinafter referred to as the Company, to comply with the provisions as stated in **Financial Services Authority Regulation Number 34/POJK.04/2014** concerning the Nomination and Remuneration Committee of Issuers or Public Companies and **Financial Services Authority Regulation Number 48 of 2024** concerning Good Corporate Governance for Finance Institutions, Venture Capital Companies, Microfinance Institutions, and Other Financial Services Institutions, therefore, it is necessary to make changes to the Charter of the Nomination and Remuneration Committee which was previously determined based on the decision of the Board of Commissioners.

The Charter of the Nomination and Remuneration Committee (hereinafter referred to as the Charter) is prepared as a guideline so that the Nomination and Remuneration Committee can carry out its duties and responsibilities consistently, transparently and independently, becoming part of the creation of a Good Corporate Governance system and in accordance with the applicable provisions based on the provisions of the Financial Services Authority mentioned above. These guidelines are binding on each member of the Nomination and Remuneration Committee.

This charter consists of several parts with the following explanation:

1. Nomination and Remuneration Committee Membership

- a. Members of the Nomination and Remuneration Committee are appointed and dismissed by the Board of Commissioners.
- b. The Nomination and Remuneration Committee is accountable to the Board of Commissioners.
- c. The Nomination and Remuneration Committee consists of at least 3 (three) members and must consist of at least the following:
 1. 1 (one) Independent Commissioner who is the chairman.
 2. 1 (one) member of the Board of Commissioners; and
 3. 1 (one) Executive Officer in charge of human resource management.
- d. In the event that the members of the Nomination and Remuneration Committee are appointed more than 3 (three) people, the Independent Commissioner shall be at least 2 (two) people.
- e. In the context (if) the Company has a Sharia Business Unit (UUS), the Sharia Supervisory Board (DPS) can be a member of the Nomination and Remuneration Committee.
- f. Members of the Board of Directors are prohibited from being members of the Nomination and Remuneration Committee.
- g. Members of the Nomination and Remuneration Committee who come from outside the Issuer or Public Company must meet the following requirements:
 - Do not have an Affiliate relationship with the Issuer or Public Company, members of the Board of Directors, members of the Board of Commissioners, or the Main Shareholders of the Issuer or Public Company;
 - Have experience related to Nomination and/or Remuneration; and
 - Not concurrently serving as a member of other committees owned by the issuer or Public Company
- h. Each member of the Nomination and Remuneration Committee is prohibited from taking personal benefits either directly or indirectly from the activities of the Issuer or Public Company other than legitimate income.
- i. Members of the Board of Commissioners who are the Chairman or members of the Nomination and Remuneration Committee are not given additional income other than income as members of the Board of Commissioners.
- j. Must have high integrity, ability, knowledge, experience in accordance with their field of work, and be able to communicate well.
- k. Willing to continuously improve competencies through education and training.
- l. Not a person who works or has the authority and responsibility to plan, lead, control or supervise the Company's activities within the last 6 (six) months ("cooling-off") except for the Independent Commissioner. The party who has a relationship with the Company that can affect the ability of the person concerned to act independently is the party who has a contractual relationship with the



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Company, so that the waiting period begins from the end of the contractual relationship. What is meant by "waiting period" or *cooling off* is the grace period between the effective expiration of the position of the relevant person as a member of the Board of Directors or Executive Officer or other relationship with the Company, and the time of the effective appointment of the relevant person as an Independent Party member of the committee.

- m. Do not have shares either directly or indirectly in the Company. In the event that the members of the Nomination and Remuneration Committee acquire the Company's shares either directly or indirectly as a result of a legal event, the shares must be transferred to another party within a period of 6 (six) months after the acquisition of the shares.
- n. It does not have an affiliation with members of the Board of Commissioners, members of the Board of Directors, or major shareholders of the Company.
- o. It does not have a business relationship either directly or indirectly related to the Company's business activities.

2. Duties and Responsibilities of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee acts independently in carrying out its duties and responsibilities. The Nomination and Remuneration Committee is tasked with providing an opinion and assisting the Board of Commissioners in identifying matters that require the attention of the Board of Commissioners, and carrying out other duties related to the duties of the Board of Commissioners, or as required by the Board of Commissioners.

In carrying out its functions, the Nomination and Remuneration Committee has the following duties and responsibilities:

- a. Conduct a review of the company's compliance with laws and regulations related to the company's activities, especially those related to the field of Nomination and Remuneration
- b. Conduct a review of the activities of implementing Nomination and Remuneration.
- c. Reviewing and providing advice to the Board of Commissioners related to potential conflicts of interest of the company.
- d. Maintain the confidentiality of documents, data and company information.
- e. It is mandatory to carry out an evaluation of the conformity between the Nomination and Remuneration policy and the implementation of the Company's policy.

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

- 1. Provide recommendations to the Board of Commissioners regarding:
 - a. The composition of the positions of members of the Board of Directors and/or members of the Board of Commissioners;
 - b. Policies and criteria needed 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. Assisting the Board of Commissioners to assess 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 materials;
- 3. Provide recommendations to the Board of Commissioners regarding capacity development programs for members of the Board of Directors and/or members of the Board of Commissioners; and
- 4. Provide proposals for candidates who are qualified 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.

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

- 1. Provide recommendations to the Board of Commissioners regarding:
 - a. Remuneration structure;
 - b. policy on Remuneration; and
 - c. the amount of remuneration;



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2. Assist the Board of Commissioners in conducting performance assessments with the suitability of the remuneration received by each member of the Board of Directors and/or members of the Board of Commissioners.

3. Nominations and Remuneration Committee Authority

- a. The Nomination and Remuneration Committee is authorized to access the necessary documents, data and information from the Company.
- b. In relation to the implementation of its duties and responsibilities, the Nomination and Remuneration Committee is authorized to communicate directly with employees, the Board of Directors, and other parties.
- c. If necessary, the Nomination and Remuneration Committee is authorized to involve an Independent party to assist in the implementation of its duties.

4. Procedures and Procedures of the Nomination and Remuneration Committee

For the implementation of Nomination duties, the following work procedures and procedures are determined:

- a. Prepare the composition and nomination process of members of the Board of Directors and/or members of the Board of Commissioners;
- b. Develop 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;
- c. Assisting in the implementation of evaluations of the performance of members of the Board of Directors and/or members of the Board of Commissioners;
- d. Develop a program to develop the skills of members of the Board of Directors and/or members of the Board of Commissioners; and
- e. Reviewing and proposing candidates who are qualified 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.

For the implementation of Remuneration duties, the following work procedures and procedures are determined:

- a. Prepare a Remuneration structure for members of the Board of Directors and/or members of the Board of Commissioners.
 1. The Remuneration Structure as referred to can be in the form of salary, honorarium, incentives, and/or benefits that are fixed and/or variable.
 2. The preparation of the structure, policy, and amount of Remuneration must take into account:
 - a. The remuneration applicable to the industry is in accordance with the business activities of the Issuer or similar Public Company and the business scale of the Issuer or Public Company in its industry;
 - b. The duties, responsibilities, and authorities of members of the Board of Directors and/or members of the Board of Commissioners are associated with the achievement of the objectives and performance of the Issuer or Public Company;
 - c. Performance targets or performance of each member of the Board of Directors and/or members of the Board of Commissioners; and
 - d. Balance of allowances between fixed and variable
 3. The structure, policy, and amount of Remuneration must be evaluated by the Nomination and Remuneration Committee at least 1 (one) time in 1 (one) year.
- b. Develop a policy on remuneration for members of the Board of Directors and/or members of the Board of Commissioners; and
- c. Compiling the amount of remuneration for members of the Board of Directors and/or members of the Board of Commissioners

5. Policy for Holding Nomination and Remuneration Committee Meetings

- a. The Nomination and Remuneration Committee holds regular meetings at least once in 4 (four) months.



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- b. The Nomination and Remuneration Committee Meeting can only be held if it is attended by more than 1/2 (one-twoth) of the number of members, one of which is the Chairman of the Nomination and Remuneration Committee.
- c. The decision of the Nomination and Remuneration Committee meeting was taken based on deliberation for consensus. In the event that a decision based on consensus deliberation is not reached, the decision is made based on the majority vote. If there are an equal number of letters, the decision is made taking into account the decision of the Chairman of the Nomination and Remuneration Committee.
- d. Each meeting of the Nomination and Remuneration Committee is stated in the minutes of the meeting, including if there are *dissenting opinions*, which are signed by all members of the Nomination and Remuneration Committee present and submitted to the Board of Commissioners. Meeting Materials and Minutes must be sent to/can be stored at the Corporate Secretary.
- e. Members of the Board of Commissioners may appoint a third party to attend the Nomination and Remuneration Committee Meeting as a reviewer who does not have the right to vote on decision-making in the Committee Meeting.

6. Nomination and Remuneration Committee Activity Reporting System

- a. The Nomination and Remuneration Committee is obliged to make periodic reports to the Board of Commissioners and/or on each assignment given.
- b. The report in question is the implementation of the duties, responsibilities, and procedures of Nomination and Remuneration carried out and is part of the report on the implementation of the duties of the Board of Commissioners and submitted at the General Meeting of Shareholders (GMS)
- c. The Nomination and Remuneration Committee is obliged to make an annual report on the implementation of the activities of the Nomination and Remuneration Committee disclosed in the Annual Report and the Company's website. Information regarding the implementation of the implementation at least contains a statement that the Company has guidelines for the Nomination and Remuneration Committee and a brief description of the implementation of the duties and responsibilities of the Nomination and Remuneration Committee in the financial year.

7. Term of Term of Appointment of the Nomination and Remuneration Committee

Members of the Nomination and Remuneration Committee are appointed for a term of office equal to the term of office of the members of the Board of Commissioners as stipulated in the Company's Articles of Association, and may be reappointed in accordance with the provisions of the applicable laws and regulations. In the event that the member of the Independent Party no longer meets the requirements of independence or is unable to carry out his duties, the Board of Commissioners is obliged to make a replacement no later than 60 (sixty) calendar days since the person concerned is no longer able to carry out his functions.

8. Performance Evaluation Mechanism of the Nomination and Remuneration Committee

The evaluation of the performance of the Nomination and Remuneration Committee shall be carried out periodically at least 1 (one) time in 1 (one) year by the Board of Commissioners, taking into account the effectiveness of the implementation of the Committee's duties, responsibilities, and authorities as stipulated in this Charter as well as the Committee's contribution in supporting the implementation of supervisory duties by the Board of Commissioners. The results of the performance evaluation are the basis for improving the performance and capacity development of the Nomination and Remuneration Committee in the future and are disclosed in the Company's Annual Report as part of the implementation of good corporate governance.

9. Nomination and Remuneration Committee Charter Review Period

This Charter will be reviewed and, if necessary, updated no later than 1 (one) time within a period of 5 (five) years to ensure that it remains relevant and in accordance with the development of Laws and Regulations and the needs of the Company.