NOMINATION AND REMUNERATION COMMITTEE CHARTER
PT SINAR MAS AGRO RESOURCES AND TECHNOLOGY Tbk

2015

CHAPTER I
BACKGROUND

1.1 As a listed company on the Indonesia Stock Exchange (IDX), PT Sinar Mas Agro Resources and Technology Tbk (hereinafter referred to as “PT SMART Tbk” or the “Company”), must comply with the laws and regulations in the capital markets as well as laws and regulations relating to the Company's operations.

1.2 The Board of Commissioners (BOC) of PT SMART Tbk needs to establish a Nomination and Remuneration Committee (hereinafter referred to as the "Committee") to assist the BOC in conducting its duties and functions, to ensure the Company operates in accordance with the Good Corporate Governance principles (GCG).

1.3 In that regard, the Committee shall prepare a Nomination and Remuneration Committee Charter (hereinafter referred to as the "Charter") that binds each Committee member in conducting their duties and responsibilities, which is then approved by the BOC.

1.4 The legal foundation of this Charter is:

1.4.1 Law Number 8 Year 1995 regarding Capital Markets;

1.4.2 Law Number 40 Year 2007 regarding Limited Liability Company;

1.4.3 Financial Services Authority Regulation Number 34/POJK.04/2014 regarding the Nomination and Remuneration Committee of Issuers or Public Companies; and

1.4.4 Articles of Association of PT SMART Tbk based on Notarial Deed No. 101 dated 18 June 2015 of Linda Herawati S.H.

CHAPTER II
STRUCTURE AND SERVICE TENURE

2.1 Membership Structure

2.1.1 The Committee consists of at least 3 (three) members, with the following composition:

a. A Chairman, who also serves as an Independent Commissioner of the Company;
b. Other members who may come from:
   - BOC member; or
   - external party, who has no affiliation with the Company, has experiences relating to Nomination and/or Remuneration and does not concurrently holds position as a member of other committee of the Company; or

- internal party under the Board of Directors (BOD) who oversees human resources matters.

2.1.2 Majority of the Committee members cannot be from internal parties under the BOD who oversee human resources matters.

2.1.3 The Company's BOD member cannot become a Committee member.

2.2 Service Tenure

2.2.1 The Committee members are appointed and dismissed by the BOC.

2.2.2 The service tenure of the Committee members shall not be longer than the service tenure of the BOC.

2.2.3 The Committee member whose service tenure has expired can be re-appointed.

2.2.4 The replacement of a Committee member who is not from the BOC shall be conducted no later than 60 days after he/she can no longer conduct his/her functions.

CHAPTER III
DUTIES AND RESPONSIBILITIES

3.1 The Committee acts independently in conducting its duties and is responsible to the BOC.

3.2 Relating to Nomination function:

3.2.1 Providing recommendations to the BOC on:

a. the composition of the BOD and BOC members;
b. the policies and criteria of the nomination process; and
c. the performance evaluation policy of the BOD and BOC members;

3.2.2 Assisting the BOC in assessing the performance of the BOD and BOC members based on a benchmark as an evaluation basis;

3.2.3 Providing recommendations to the BOC on capacity building programmes for the BOD and/or BOC members;

3.2.4 Proposing qualified candidates for the BOD and/or BOC members to the BOC, to be presented to the General Meeting of Shareholders ("GMS").

3.3 Relating to Remuneration function:

3.3.1 Providing recommendations to the BOC on the remuneration structure, policies and amount for the BOD and BOC members;

3.3.2 Assisting the BOC in assessing whether the remuneration received by each BOD and BOC member is aligned with their performance.

CHAPTER IV
WORKING PROCEDURES

4.1 Relating to Nomination function:

4.1.1 Preparing the composition and nomination process of the BOD and BOC members.

4.1.2 Developing policies and criteria in the nomination process of candidates for the BOD and BOC members.

4.1.3 Assisting in executing the performance evaluation of the BOD and BOC members.

4.1.4 Developing capacity building programmes for the BOD and BOC members.

4.1.5 Reviewing and proposing qualified candidates for the BOD and/or BOC members to the BOC, to be presented to the GMS.

4.2 Relating to Remuneration function:

4.2.1 Developing the remuneration structure, policies and amount for the BOD and BOC members, by taking into account the following:

a. the remuneration in similar industry and business scales;
b. the duties, responsibilities and authorities of the BOD and BOC members compared with the achievement of the Company's objectives and performance;
c. the overall or individual BOD and BOC members' performance targets;
d. the balance between fixed and variable allowances.

4.2.2 The remuneration structure can be in the form of salary, honorarium, incentives and/or allowances which are fixed and/or variable.

4.2.3 The remuneration structure, policies and amount shall be evaluated by the Committee at least once in 1 (one) year.

CHAPTER V
MEETINGS

5.1 Meeting Mechanism and Decision Making

5.1.1 The Committee meetings must be held periodically at least once within 4 (four) months.

5.1.2 The Committee meetings can only be held if:

a. attended by the majority of the Committee members, and
b. one of the majority of the Committee members referred to in letter (a) is the Chairman of the Committee.

5.1.3 The decision making is based on deliberation for consensus. In the event consensus cannot be reached, the decision is made based on a majority vote.

5.2 Minutes of Meeting

5.2.1 The results of the meeting must be documented in a minutes of meeting and submitted in writing to the BOC and documented by the Company.

5.2.2 The minutes of meeting must include dissenting opinions (if any) of Committee members and the underlying reasons.

CHAPTER VI
REPORTING AND DISCLOSURE

6.1 Reporting

6.1.1 The Committee shall report the execution of their Nomination and Remuneration duties, responsibilities, and procedures to the BOC.

6.1.2 The report of the execution of the Committee's duties is part of the BOC's responsibility report and is presented to the GMS.

6.2 Disclosure

The implementation of nomination and remuneration functions must be disclosed in the Company's annual report and website.

CHAPTER VII
BUDGET

7.1 At the beginning of each fiscal year, the Committee submits a budget plan to support their activities.

7.2 The Committee's budget is submitted to the BOC for their approval.

7.3 The Committee's budget is part of the BOC's budget and supervision of its realisation is audited by a party appointed by the BOD.

Enacted on: 4 December 2015

Board of Commissioners
PT Sinar Mas Agro Resources and Technology Tbk

Franky Oesman Widjaja	Muktar Widjaja
President Commissioner	Vice President Commissioner

Budi Wijana
Vice President Commissioner

Teddy Pawitra
Independent Commissioner

Susiyati B. Hirawan
Independent Commissioner

Hikmahanto Juwana
Independent Commissioner

Endro Agung Partoyo
Independent Commissioner

Rafael B. Concepcion, Jr.
Commissioner