

AFFILIATED TRANSACTIONS POLICY

(Does not apply to PT. APP Purinusa Ekapersada, only apply to subsidiaries and/or affiliates of PT. APP Purinusa Ekapersada that is a public company and/or bond issuer)

I. INTRODUCTION

In conducting Affiliated Transactions, is required to have adequate procedures to ensure that Affiliated Transactions are carried out following general business values and pay attention to the provisions stipulated in the Financial Services Authority Regulation ("OJK") No. 42/POJK.04/2020 concerning Affiliated Transactions and Conflict of Interest Transactions ("POJK 42/2020").

Affiliated Transactions are activities and/or transactions conducted by a public company or controlled company with Affiliates of a public company or Affiliates of members of the Board of Directors, members of the Board of Commissioners, majority shareholders, or controllers, including every activity and/or transaction carried out by the company a public company or controlled company for the benefit of an Affiliate of a public company or an Affiliate of a member of the Board of Directors, member of the Board of Commissioners, major shareholder, or the Controlling Company.

According to POJK42/2020, Affiliates are:

1. Family relations due to marriage and descent to the second degree, both horizontally and vertically;
2. The relationship between the party and the employee, Director, or Commissioner of that party;
3. Relationship between 2 (two) companies where there are one or more members of the same Board of Directors or Board of Commissioners;
4. The relationship between the Company and a party, having direct or indirect control or being controlled by the Company;
5. Relationship between 2 (two) companies controlled, directly or indirectly, by the same party; or
6. The relationship between the Company and the majority shareholders.

II. PROVISIONS RELATED TO AFFILIATED TRANSACTIONS

Affiliated Transactions, according to POJK42/2020, are transactions that include:

1. Participation in certain business entities, projects, and/or business activities;
2. Purchase, sale, transfer, use, exchange of assets or operating segments;
3. Acquisition, release, and/or use of services;
4. Leasing assets;
5. Borrowing of funds, including their transfer;
6. Guarantee the Company's assets on loans from other parties; and
7. Provide corporate guarantee.

Companies that conduct Affiliated Transactions are required to comply with the following conditions (hereinafter referred to as "Affiliate Transactions Provisions"):

1. Assign an appraiser to determine the fair value of Affiliated Transaction's objects and/or the transaction fairness;
2. Announce such Affiliated Transactions to the public and to be submitted to Financial Services Authority ("OJK") along with supporting documents;
3. Submit information disclosure as referred to in point number 2 (two) and its supporting documents to OJK; and
4. Have to obtain the Independent Shareholders' approval in General Meeting Shareholders ("GMS") beforehand, as follows:
 - a. The value of Affiliated Transactions meets the value limit of material transactions that must obtain GMS approval;
 - b. Affiliated Transactions that have the potential to disrupt the business continuity of the Company; and/or
 - c. Carry out Affiliated Transactions, which are based on considerations of OJK that require approval from independent shareholders.

The announcement referring to point number 2 (two) of the Affiliated Transaction Provisions and the submission of disclosure of information and documents to the OJK referring to point number 3 (three) of the Affiliated Transaction Provisions shall be made no later than 2 (two) working days after the date of the Affiliated Transaction or at the same date as the announcement of the GMS. In carrying out the Affiliated Transaction, the Company is required to obtain the approval of the GMS.

III. EXEMPTION

The following Affiliated Transactions are excluded from the Affiliate Transactions Provisions, only required to be reported to OJK no later than the end of the second working day after the Affiliated Transactions:

1. Transactions as the implementation of laws and regulations or a court decision.
2. Transactions between:
 - a. The Company and the controlled companies whose shares are owned by at least 99% of the controlled company's paid-up capital;
 - b. Fellow controlled companies that at least 99% of their shares, are owned by the Company; or
 - c. A controlled company with a company whose shares is owned by the controlled company by at least 99% of such company's paid-up capital.
3. Transactions with a transaction value not exceeding 0.5% of the Company's paid-up capital or not exceeding the amount of IDR5,000,000,000.00, whichever is lower;

4. Loan transactions that are directly received from banks, venture capital companies, financing companies, or infrastructure-financing companies;
5. Provision of guarantee transactions to the banks, venture capital companies, financing companies, or infrastructure-financing companies for loans that are directly received by the Company or controlled company;
6. Transaction for addition or subtraction of capital participation, to maintain ownership percentage after the participation concerned is conducted for at least one (1) year;
7. Transactions that carried out by the company, if the company is a financial services institution with a controlled company which is a sharia financial services institution, for the purposes of developing the relevant sharia financial services institution; and/or
8. Transactions related to the restructuring carried out by the Company is controlled by the government, either directly or indirectly.

The following Affiliated Transactions are not required to be reported to OJK and/or announced to the public:

1. Utilization of any facilities that the Company provides to members of the Board of Commissioners, members of the Board of Directors, and/or majority shareholders in the event that the majority shareholder is concurrently an employee and the facilities are directly related to their responsibilities towards the Company and in accordance with the Company' policies, as well as have been approved by the GMS;
2. Transactions of the Company with an employee, a member of the Board of Directors, or a member of the Board of Commissioners of the Company or with an employee, a member of the board of directors, or a member of the board of commissioners of controlled companies, provided that the GMS has approved it;
3. Rewards, including salaries, pension fund premiums, and/or special benefits that are granted to members of the Board of Directors, members of the Board of Commissioners, and majority shareholders in that event the majority shareholder is concurrently an employee, in the event that the total amount of the rewards have been disclosed in periodic financial statements, provided that the GMS has approved it;
4. Continuous transactions that have been conducted before the Company carries out an initial public offering or before the submission of the registration statement as the Company, in terms of the following conditions:
 - a. The transactions have been disclosed in the prospectus for an initial public offering or in the information disclosure for the registration statement of the Company; and

- b. The terms and conditions of transactions have undergone no changes that may be harmful to the Company.
- 5. Continuous transactions that are conducted after the Company carries out an initial public offering or after the registration statement as a public company becomes effective, in terms of the following conditions:
 - a. The initial transactions that underlie the subsequent transactions have complied with the POJK 42/2020; and
 - b. The terms and conditions of transactions have undergone no changes that may be harmful to the Company.