



# **Related Party Transaction (RPT) & Conflict of Interest Policy**

PT Prodia Widyahusada Tbk

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## **Transaction Policy with Affiliated Parties**

As an effort to protect the interests of shareholders and as part of implementing the principles of Good Corporate Governance, PT Prodia Widyahusada Tbk ("Company") has policy guidelines regarding transactions with affiliated parties and parties with conflicts of interest. Transactions with affiliated parties and conflicts of interest have the potential risk of abuse by related parties which could harm minority shareholders and impact market integration.

The objectives of the Affiliate Transaction and Conflict of Interest Policy are as follows:

1. As a guideline in carrying out transactions with affiliated parties and conflicts of interest so that these transactions are carried out fairly.
2. To ensure that transactions carried out with affiliated parties do not harm the interests of the Company and the Company's shareholders.
3. To assist and increase the independence of the Company's management in managing transactions with affiliated parties and those that have a conflict of interest with the Company.

The legal basis for this Transactions with Affiliated Parties policy is Financial Services Authority Regulation Number 42/POJK.04/2020 (" **POJK 42/2020** ") concerning Affiliated Transactions and Conflict of Interest Transactions.

### **A. Affiliate Transactions**

Affiliate Transactions are every activity and/or transaction carried out by the Company or a controlled company with an Affiliate of the Company or an Affiliate of a member of the board of directors, member of the board of commissioners, major shareholder or Controller, including every activity and/or transaction carried out by the Company or a controlled company for the benefit of an Affiliate of the Company or an Affiliate of a member of the board of directors, member of the board of commissioners, main shareholder or Controller.

Affiliates are:

- a. family relationships due to marriage and descent to the second degree, both horizontally and vertically ;
- b. the relationship between the party and the party's employees, directors or commissioners;
- c. relationship between 2 (two) companies where there are 1 (one) or more members of the same board of directors or board of commissioners;
- d. the relationship between the company and parties, whether directly or indirectly, controlling or controlled by the company;
- e. relationship between 2 (two) companies controlled, either directly or indirectly, by the same party; or
- f. relationship between the company and its major shareholders.

### **B. Transactions Containing Conflicts of Interest**

Conflict of Interest Transactions are transactions carried out by the Company or controlled companies with any party, both Affiliates and parties other than Affiliates that contain a Conflict of Interest.

A conflict of interest is a difference between the Company's economic interests and the personal economic interests of members of the Board of Directors, members of the Board of Commissioners, or major shareholders which could be detrimental to the Company.

Transactions containing the following conflicts of interest are excluded from Independent Shareholder approval.

- a. Transactions with a value not exceeding 0.5% of the Company's paid-up capital and not exceeding the amount of IDR 5,000,000,000 (five billion Rupiah);
- b. Transactions carried out by the Company as implementation of statutory regulations or court decisions, and/or;
- c. Transactions between the Company and Controlled Companies whose shares or capital are owned at least 99% or between Controlled Companies whose shares/capital are at least 99% owned by the Company.

### **C. Material Affiliate Transactions**

In the event of material affiliate transactions that have the potential to contain a conflict of interest, a review will be carried out first by the Audit Committee and reported to the Board of Commissioners.

### **D. Independent Parties in Affiliate Transactions and Conflicts of Interest**

In the event that there is a material transaction containing a conflict of interest that requires shareholder approval, the Company is obliged to appoint an independent party (Appraiser) to evaluate the fairness of the transaction value. If the independent appraiser declares the transaction to be unreasonable, need to obtain prior approval from the Company's Independent Shareholders through the GMS.

### **E. Transaction Fairness**

The principles of transactions with Affiliated Parties that must be considered are:

- a. Must pay attention to the principles of good corporate governance, namely openness , accountability , responsibility , independence and fairness.
- b. Must ensure the appropriateness and fairness of the value and terms of the transaction in question ( arm's length transaction ).

### **F. Affiliate Transaction Mechanisms and Conflicts of Interest**

Every department/controlled company that will carry out transactions with affiliated parties is required to notify the *Corporate Secretary* Team in writing along with the required data. *The Corporate Secretary* Team coordinates with the departments / controlled companies to carry out analysis and determine follow-up actions in accordance with applicable statutory provisions by dividing them into 3 (three) categories:

- a. **Category 1**  
Transactions that must only be reported to the Financial Services Authority (OJK) are transactions that meet the provisions of Article 6 paragraph 2 in conjunction with paragraph 1 POJK 42/2020:
- 1) Transactions between Public Companies and Controlled Companies whose ownership is at least 99%; or
  - 2) Fellow Controlled Companies whose ownership is at least 99%; or
  - 3) Transactions between a Controlled Company and a company whose shares are owned at least 99% by the Controlled Company; or Transactions that do not exceed 0.5% of the paid-up capital of the Public Company or do not exceed the amount of IDR 5,000,000,000.00 (five billion Rupiah).
- b. **Category 2**  
Transactions that are only required to be disclosed in the Annual Report/Financial Report, namely transactions that meet the provisions of Article 8 paragraph 1 POJK 42/2020: transactions that are business activities carried out in order to generate business income and are carried out routinely, repeatedly and/or continuously.
- c. **Category 3**  
Transactions that must be carried out after obtaining independent shareholder approval, Information Disclosure to the public , namely transactions that meet the provisions of Article 4 paragraph 1 letter d POJK 42/2020: affiliate transactions that are not included in Category 1 and Category 2.

## **G. Reporting and Information Disclosure**

The Corporate Secretary will carry out the obligation to disclose information regarding affiliated transactions carried out by the Company to the OJK and/or to the public in accordance with applicable laws and regulations.

## **H. Others**

The Transaction Policy with Affiliated Parties will be reviewed periodically in accordance with applicable rules and regulations.