

**RELATED PARTY TRANSACTION (RPT)  
& CONFLICT OF INTEREST POLICY  
PT Elang Mahkota Teknologi Tbk  
("Company")**

**Legal basis**

In order for the Company to implement Good Governance in complying with Financial Services Authority Regulation Number 42/POJK.04/2020 ("POJK 42/2020") regarding Affiliated Transactions and Conflict of Interest Transactions, the Company hereby prepared Related Party Transaction and Conflict of Interest Policy.

**Related Party/Affiliated Transaction**

Related Party/Affiliated Transaction is every activity and/or transaction conducted by the Company or controlled company with Affiliate of the Company or 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 conducted by the Company or controlled company for the benefit of the Affiliate of the Company or the Affiliate of a member of the board of directors, member of the board of commissioners, major shareholder, or Controller.

Affiliates are:

- a. family relationships due to marriage and descent to the second degree, both horizontally and vertically;
- b. relationship between the party and the employee, director, or commissioner of that party;
- c. relationship between 2 (two) companies where there are 1 (one) or more members of the same board of directors or commissioners;
- d. the relationship between the company and the parties, either directly or indirectly, controlling or being controlled by the company;
- e. relationship between 2 (two) companies controlled, directly or indirectly, by the same party; or
- f. relationship between the company and principal shareholder.

**Transactions Containing Conflict of Interest**

Conflict of Interest Transaction is a transaction conducted by the Company or a controlled company with each party, both with Affiliates and parties other than Affiliates that contains a Conflict of Interest.

Conflict of Interest means a conflict between the economic interests of the Company and those of a member of the Board of Directors, a member of the Board of Commissioners or the Principal Shareholder, potentially causing a loss to the Company.

Transactions involving the following interests except with the approval of the Independent Shareholders of the Company:

- a. Transactions with a value not exceeding 0.5% of the Company's paid-up capital and not exceeding the amount of Rp5,000,000,000 (five billion Rupiah);
- b. Transactions carried out by the Company as the implementation of laws and 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 owned at least 99% by the Company.

**Mechanism of Review and Approval of Related Party Transactions and Conflicts of Interest**

The core principles to be observed when doing transaction with Related/Affiliated Party are:

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- a. To observe the good governance principles, which are openness (transparency), accountability, responsibility, independency, and fairness.
- b. To confirm about the appropriateness and the fairness of the value and the requirement of the transaction (arm's length transaction).

Each division/ controlled company that will conduct transactions with related parties must simultaneously be accompanied by the required data to the Corporate Secretary Team. The Corporate Secretary team coordinates with divisions/ controlled company to conduct analysis and determine follow-up actions in accordance with the prevailing laws and regulations 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 of POJK 42/2020:

- 1) Transactions between a Public Company and a Controlled Company whose ownership is at least 99%; or
- 2) Fellow Controlled Companies whose ownership is at least 99%; or
- 3) Transactions between the Controlled Company and the 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 Rp5,000,000,000.00 (five billion Rupiah).

b. Category 2

Transactions that are only required in the Annual Report/Financial Report, namely transactions that meet the provisions of Article 8 paragraph 1 of POJK 42/2020: transactions which are activities carried out in order to generate business and are carried out routinely, repeatedly, and/or continuously.

c. Category 3

Transactions that must be carried out after obtaining independent shareholders' approval, namely transactions that meet the provisions of Article 4 paragraph 1 letter d of POJK 42/2020; transactions that should not include into Category 1 and Category 2.

To ensure that there is no potential conflict of interest, the Board of Commissioners then review and approve transactions with related parties.

Especially for material affiliated transaction which has potential conflict of interests, will be analysed/reviewed by Audit Committee and reported to the Board of Commissioners.

**Independent Party**

In accordance with the applicable regulations in matters involving material transactions related to the interests of shareholders, the Company must appoint an Appraiser as an independent party to determine the fair value of the object of the Related Party (Affiliated) Transaction and/or the fairness of the transaction.

If the independent appraiser declares that the transaction is not fair, it is necessary to obtain prior approval from the Company's Independent Shareholders through the General Meeting of Independent Shareholders.