

Code of Conduct

PT Erajaya Swasembada Tbk and its Subsidiaries & Affiliates

This Code of Conduct effective since 2018

The Code of Conduct is the commitment of Insan Erajaya in the form of standards that contain principles and values as well as ways of behavior in decision making by upholding ethics and respecting the rights of stakeholders owned by the Company.

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CHAPTER I INTRODUCTION

1.1. Background

Starting from hard work and trust, PT Erajaya Swasembada Tbk and its subsidiaries. (“**Erajaya / the Company**”) built its business. Excellence operations and business have made Erajaya one of the leading distributors and retail companies in Indonesia that are recognized by Investors, Suppliers, Consumers, and all Employees of the Company.

In line with Erajaya's vision of *"providing mobile products and solutions to improve quality and lifestyle"* and with the mission of *"to be a leading company in the distribution sector that has direct access to consumers and retailers in an integrated manner, which provides a complete range of mobile products and solutions"*, Erajaya believes that it is necessary to form a Code of Conduct that prioritizes ethics and values thus ensuring the implementation of Good Corporate Governance.

The principles of Good Corporate Governance are essential for the Company's management in carrying out its operational activities. The duties of the Company's management must be carried out in accordance with the rules of Good Corporate Governance, which includes transparency, independence, accountability and responsibility as well as fairness in accordance with the principles of a healthy corporation and abiding with the prevailing laws and regulations.

The code of conduct is the commitment of the Company's management and its employee among the group (“**Insan Erajaya**”) in the form of standards that contain principles and values as well as ways of behavior in decision making by upholding ethics and respecting the rights of stakeholders owned by the Company.

Erajaya always upholds the noble values that become the pillars of the Company. Such noble values are:

- Integrity : Honest, accountable and responsible.
- Dynamic and Innovative : Quick to adapt and find solutions, creative.
- Respect for Others: Respect, cooperation and a good environment.
- Customer Orientation: The best service for customer satisfaction.
- Unlimited Learning : Keep learning to develop yourself.

This code of conduct does not replace the provisions contained in the Company Regulation, but on the contrary, it is a complement so that Insan Erajaya realize what is expected so that professional accountability with high integrity is formed. Thus, the purpose of this code of conduct is aim to the practical standards for ethics that must be followed by all Insan Erajaya and create achievements and a positive Corporate image with ethical leadership and behavior models at all levels of interaction between the Company and its stakeholders.

Insan Erajaya are required to continue and always maintain this standard by carrying out the following key steps: (1) knowing what is right according to the code of conduct, (2) always doing the right thing, (3) asking the party appointed by the Company if you feel unsure.

Erajaya is well aware that without implementing these key measures consistently, it will undoubtedly pose a threat to the Company and its stakeholders. This can be a serious threat both in terms of business development, reputation, and other matters related to law and regulations, the general public, consumers, employees, the environment and has an financial impact to the Company.

The Board of Commissioners and the Board of Directors hope that all Insan Erajaya well aware, understand, live and implement this code of conduct. Therefore, this code of conduct applies to all Erjaya personnel and the Company will act strictly against behavior that deviate from this standard.

CHAPTER II

THE COMPANY'S COMMITMENT TO STAKEHOLDERS

2.1. Shareholders/Investors

Erajaya is committed to striving hard that focuses on the Company's sustainable growth based on business ethics and mutual benefit so as to create an optimal contribution to the Company's shareholders. Therefore, Erajaya and Insan Erajaya will:

1. Providing the best value for shareholders, both in financial and non-financial aspects.
2. Maintain the assets owned by the Company, both tangible assets and intangible assets including business planning and other intellectual property rights, which are used only for business purposes, with the aim of ensuring the going concern of the Company and shareholders.
3. Treat all investors fairly and provide reporting and disclosure of information to shareholders in a transparent, timely, accurate, clear and accountable manner.
4. Conduct a communication process to shareholders or prospective shareholders through one door through the Corporate Secretary.
5. Implement Good Corporate Governance and comply with the Company's AoA, as well as applicable laws and regulations in Indonesia or where the Company's business activities operate.

2.2. Customers

Erajaya prioritizes customer satisfaction and trust by:

1. Selling the best products with competitive prices and professional services;
2. Offer the product in an honest and straightforward manner;
3. Open customer service and respond to customer complaints without discrimination;
4. Conduct marketing honestly, fairly, not misleadingly based on general business ethics prevailing in society.

2.3. Employees

Erajaya is committed to positioning employees as the most important resource owned by the Company that supports activities to achieve the Company's success. Therefore, Erajaya will always reward employees by:

1. Implementing applicable laws and regulations related to employment.
2. Providing and transparently disclosing Company Regulations that state employee rights and obligations, including other benefits policies.
3. Provide equal opportunities to every employee to have a career and develop their potential within the Company.
4. Guarantee that there is no discrimination based on SARA (ethnicity, religion, race, and class) or the provision of special treatment in Erajaya.
5. Developing recruitment, remuneration, career path, competency and reward system that stimulates employee potential for Erajaya's progress.
6. Creating a clean, healthy and safe work environment for employees.
7. Improve employee competencies by simultaneously conducting assessments and training.
8. Guarantee the rights of retired employees in accordance with applicable regulations.
9. Take firm action against employees who commit violations and impose sanctions in accordance with applicable Company Regulations.

2.4. Supplier

In terms of procurement of goods and services, both re-traded and those used for the Company's operational activities, Erajaya applies the following:

1. The process of purchasing and using third party services must follow Company policies and procedures.
2. Do not tolerate the occurrence of corruption, collusion, and nepotism in every process of procurement of goods and services.
3. Promoting ethical business practices, and penalizing suppliers that are proven to violate.
4. Implement the procurement of goods and services in a transparent, competitive and fair way to obtain qualified suppliers according to the needs Erajaya.
5. Maintaining a good relationship with suppliers by prioritizing communication and always paying attention to agreements that have been agreed.

2.5. Business Partners / Venture Partners

Erajaya fosters a climate of cooperation with Business Partners by prioritizing trust, mutual respect and prioritizing business rules by:

1. Cooperation is based on business agreements that are balanced and mutually beneficial and in accordance with applicable laws and regulations.
2. Business cooperation is carried out with strategic partners who have a good reputation.
3. Building intensive communication with business partners that guarantee the creation of solutions for business continuity with business partners.
4. Prioritizing optimal results by exchanging accurate information on services and products that will be marketed by Erajaya and business partners.

2.6. Subsidiaries & Affiliates

Erajaya encourages the independence of subsidiaries and affiliated companies by:

1. Always provide guidance and support to subsidiaries and affiliated companies.
2. Establish mutually beneficial relationships with subsidiaries and affiliated companies to build synergy between Erajaya Group.
3. Actively encouraging the implementation of Good Corporate Governance run by subsidiaries and affiliated companies.

2.7. Government

The Company is committed to establishing a good relationship with government agencies related to Erajaya's business activities by

1. Conducting business in a professional manner subject to and complying with applicable laws and regulations.
2. Building healthy, harmonious and constructive relationships with regulators.
3. Prioritize the principles of honesty and transparency and avoid the practice of corruption, collusion, and nepotism in dealing with regulators.
4. Always socialize the laws and regulations that apply to parties related to the Company's business activities.

2.8. Bank and Creditors

Erajaya continues to strive to develop and capture emerging business opportunities with financial resources derived from internal and external. Erajaya has always applied behavior based on ethics in building relationships with banks and creditors. Erajaya has the following commitments:

1. The process of selecting banks and creditors is carried out by prioritizing the professionalism, credibility, and reputation of banks and creditors.
2. Providing financial and business information in an actual, transparent, accurate and accountable manner to prospective creditors/banks, creditors and banks.

3. Comply with agreements that are mutually agreed upon.
4. Using loan funds is only intended for business purposes and will manage loan funds effectively.

2.9. Media

Erajaya believes that information conveyed to the public through the mass media is important to build the image and trust of stakeholders in Erajaya. Erajaya's commitment to the mass media:

1. Making the mass media a partner with the principle of mutual respect.
2. Providing and delivering relevant and accurate information about the Company in accordance with applicable regulations.
3. Relationships with the mass media are carried out by parties or individuals officially appointed by Erajaya management.
4. Uphold the journalistic code of ethics.

2.10. International Trade

In developing business to other countries or conducting international trade, Erajaya will comply with the provisions of applicable international laws and regulations. Erajaya is committed to:

1. Comply with international trade regulations, including permits, customs, shipping of goods, import-export documentation, reporting and storage of required documents.
2. Ensuring that international transactions follow applicable rules and standards.

2.11. Auditor

1. Ensuring the independence of auditors, both internal auditors and external auditors, in conducting audits in accordance with the definition, professional standards and code of ethics adopted. Determine the appointment of the Audit Committee, Head of Internal Audit and Public Accounting Firm in accordance with applicable regulations.
2. Pay attention to, examine and implement recommendations from auditors who have become agreed action plans.

CHAPTER III

EMPLOYEE BEHAVIOR AND COMMITMENT

Employee commitment and standards of behavior are work ethics used by all employees of the Company, including their leaders in interacting and carrying out daily work.

3.1. Employee Relationships

Erajaya and all Insan Erajaya are committed to creating a harmonious, competitive and constructive work environment, through ethical mental development in daily interactions between superior relationships and fellow employees.

1. The Relationship between Superiors and Subordinates

- a. Always try to be open, establish harmonious relationships and respect to each other for the ideas and differences of opinion conveyed;
- b. Prioritizing integrity, loyalty, professionalism in carrying out duties with high responsibility for the interests and progress of Erajaya;
- c. Communication is polite and does not contain elements of gender discrimination and harassment of ethnicity, race, religion, and beliefs;
- d. Behave and behave politely towards superiors and fellow Insan Erajaya
- e. Comply with Erajaya's law, policy, standard operating procedure (SOP) and inform the superior or authorized department if you know of any indications of irregularities.

2. The Relationship among the Employees

- a. Work in harmony, be respectful, do not carry out actions and speech that contain ethnic, religious and racial abuse, including not intimidating among fellow Insan Erajaya;
- b. Maintain polite and polite behavior within the Company's environment during working hours;
- c. Erajaya personnel are required to dress modestly, are prohibited from committing acts involving physical or non-physical threats, fights, and pornography. Be open and respectful of dissent in the work process;
- d. Develop the ability and skills to work in groups, and have a high spirit of cooperation and are always ready to help colleagues or other work units for mutual progress;
- e. Receive any input and advice given for self-improvement and performance improvement, and be willing to share knowledge and skills with other colleagues;
- f. Promoting the spirit of healthy competition to spur optimal work performance.

3.2. Use and Maintenance of Asset

This ethical standard is aimed at ensuring that resources in the form of assets (physical, financial, Intellectual Property Rights and other assets) owned by Erajaya are well maintained and used optimally. For the Company's assets, every Erajaya person is obliged to:

1. Use the Company's assets effectively and efficiently to achieve the Company's goals in accordance with social, economic, and financial rules that can be accounted for by taking into account the associated business risks;
2. Maintain, secure and save the Company's assets in accordance with applicable regulations. All assets of the Company must be protected from unauthorized uses, embezzlement and fraud;

3. Not to use and utilize the Company's assets for personal interests, group interests and or political activities and other third parties;
4. Use it according to the position, authority and scope of work being carried out;
5. follow generally accepted accounting and reporting standards in recording and reporting company assets;
6. Avoid acts of misuse of the Company's resources, intellectual property rights, time and facilities including office equipment such as telephones, faxes, emails, computers and others used for personal gain.

3.3. Conflict of Interest

Conflict of interest is a situation where in the decision-making process there is a possibility that decision makers are faced with conflicts that prioritize not the interests of the Company, but personal, family and / or group interests.

Erajaya realizes that Insan Erajaya have the right to carry out other activities such as business, finance, politics that are legal outside of their status as Erajaya employees. Insan Erajaya is obliged to guarantee that these activities must be free from conflicts of interest, including abuse of position, influence and authority possessed.

To avoid conditions and situations that cause conflicts of interest, Insan Erajaya shall be committed to:

1. Do not have a business that is directly related to the Company's activities, including spouse and children;
2. Not providing or receiving loans from providers of goods/services and consumers;
3. Notify the activities in the financial action outside the Company or other businesses or any relationship that may give rise to the conflict of interest;
4. Avoid actions or relationships that may give rise to the conflicts with work-related or interests;
5. Not utilizing the Company's confidential information and business data for interests outside the Company;
6. Avoiding blood and inbreeding relationships, both upwards, downwards and sideways with other fellow employees. If you have such a relationship, employees are required to report by filling out the form provided;
7. Not utilizing the position to give preferential treatment to family, relatives, groups and or other parties at the expense of the Company;
8. Not directly or indirectly involved in the management of competing companies and/or partner companies or other potential partners;
9. Not making investments or business ties with other parties who have a business relationship with the Company either directly or indirectly;
10. The Board of Directors and the Board of Commissioners make separate annual statements regarding the conflicts of interest;
11. An employee is prohibited from engaging in the trading of the Company's shares when he has information from within the Company. Employee investments in the Company's securities should be directed on a long-term basis. Employees are prohibited from speculating on the Company's shares in the short term.

3.4. Political Activities

Erajaya provides guarantees to all Insan Erajaya to be able to exercise the right to the opportunity to channel their political aspirations. Erajaya made no political contribution and was not affiliated to any political party. To political activities, Insan Erajaya shall be committed to:

1. Not utilizing the Company's name, assets, and potential for certain political purposes;
2. Not on behalf of the Company or making contributions on behalf of the Company to any political party;

3. Not making any understandings, agreements, statements either directly or indirectly that can show that the Company has an attachment to a political party;
4. Any activity to channel political aspirations must be carried out outside of working hours and not using the attributes of the Company;
5. Not carrying out political activities either directly or indirectly within the Company;
6. Not carrying, showing, installing, and circulating symbols, images and ornaments of political parties within the Company;
7. If a person occupies a position in a political party or political activity that will interfere with his duties in the Company, then the person concerned must submit a resignation from the Company.

3.5. Gratuities and Taking Bribes, Gifts and Business Banquets

Bribery is an act of giving or promising something to a person or official that will influence decisions related to his position, including doing or not doing something in his position that is contrary to his obligations. Forms of bribes can be in the form of money, gifts, goods, giving positions to the family or other forms that are rewards. Every Insan Erajaya is not allowed to accept or give bribes, namely:

1. Influencing or directing a person to give or accept bribes;
2. Offer services for the purpose of obtaining personal gain by violating predetermined rules;
3. Provide more facilities to other parties in exchange for personal gain;
4. Accept illegal gifts or gifts or unjustified purposes of giving from any party who wishes, will and or is in a business relationship with the Company;
5. Other actions that can be categorized as acts of bribery according to the applicable provisions and laws.

Prizes can be in the form of money or equivalent, namely cheques, vouchers, bilyet giro, traveler's cheques, goods or gifts in other forms given by or to someone because of their position. Every Insan Erajaya shall be committed to:

1. It is not allowed to receive and give gifts in any form that may affect decision-making in violation of existing provisions;
2. Any gift received by Erajaya personnel due to business relationships must be reported to the Company so that the gift can then be received by the person concerned or become the property of the Company;
3. In order to keeping or maintaining business relations, the Company may incur costs that can be accounted for the Company's burden on conditions including: religious holidays, birthday celebrations, separation of Company officials, statements of sympathy, and social activities.

A business banquet that can be accepted/given by Insan Erajaya in the context of business activities/becomes the burden of the Company is a banquet to establish cooperation with potential customers, customers, suppliers and business partners. Erajaya personnel can provide business banquets at the expense of the Company at a cost that can be accounted for in relation to the Company's activities.

3.6. Occupational Health and Safety

The management of occupational safety and health is very important for the success of Erajaya's business activities. Implementing and maintaining behaviors that can realize occupational safety and health is a must. Therefore, Insan Erajaya in working must:

1. Comply with any laws and regulations and/or standards regarding the security and safety of occupational health;
2. Mastering and understanding the situation and conditions of the working environment by complying with the implementation of the provisions of laws and regulations on occupational safety, health and the environment;

3. Prioritizing preventive measures, namely those that avoid accidents;
4. Avoid any action that harm oneself or others, interfere with health, such as intoxicating drinks, consuming illegal drugs, and others, in accordance with the provisions of the Company;
5. Carry out countermeasures for the accidents that occur in accordance with applicable standards and procedures and always have an emergency response plan;
6. Report any incidents and work accidents that occur to the leaders of their respective units and relevant authorized agencies within the specified time limit;
7. Conduct periodic inspections, inspections and evaluations of all means including resources, equipment and detection systems carefully within their authority to ensure their readiness.

3.7. Anti-Narcotics, Alcohol, Gambling and Immoral Behavior

Insan Erajaya guarantees that oneself is free from the abuse of drugs and other addictive substances, liquor, gambling and immoral acts.

3.8. Compliance with Prevailing Laws

1. Every Insan Erajaya must obey and comply with applicable laws and carry them out consistently;
2. Every Insan Erajaya must avoid every action and behavior that may cause violations of the law;
3. Prioritize settlement through deliberative for consensus in every problem and if you do not reach mutual agreement, legal action will then be used. Every Insan Erajaya is obliged to respect the ongoing legal process and the resulting decision;
4. Not to cooperate unlawfully with other parties that harm the Company.

3.9. Confidentiality of Information

All Insan Erajaya are required to act and behave professionally to keep and maintain the confidentiality any forms of Company information. For the former employees who no-longer work in Erajaya, they are still asked, in the context of ethics, not to disclose confidential information about Erajaya. If this happens, the party concerned can be prosecuted in accordance with applicable legal provisions.

All Insan Erajaya are obliged to manage any information that is their responsibility with safely care and maintain the confidentiality of information and its delivery can only be done by appointed officials. This policy is prepared to (1) ensure the security of the Company's confidential information, (2) ensure that the information which needs to be disclosed, has been fairly conveyed to interested parties by authorized officials, (3) maintains the Company's information to be used in accordance with the purposes that have been set and not misused for personal interests or certain parties.

This information can be in the form of, but is not limited to (1) financial matters, (2) business plans and strategies, (3) standard operating procedures (SOPs), (4) the Company policies, (5) the technology & research, (6) intellectual property rights (IPR), (7) human resources, (8) other data that if known to other parties may affect the company's performance.

3.10. Intellectual Property Rights (IPR)

Intellectual property rights include Copyrights and Industrial Property Rights which include: patents, industrial designs, trademarks, repression of unfair competition, layout design of integrated circuits, trade secrets and plant variety protection. Insan Erajaya is committed to:

1. Respect the intellectual property rights which owned by others;
3. Actively participate to protect the intellectual property rights of the Company;
4. Insan Erajaya who participate / work in the development of a process or product to be used by the Company, or Insan Erajaya who have rights to the work, must treat

information related to the process or product as belonging to the Company both during the period of work and after Erajaya personnel no longer work for the Company;

5. All Insan Erajaya must inform the results of the work they produce both during and outside working hours, if the work is related to the Company's business or operations.

3.11. Activities Outside the Company

Insan Erajaya is committed not to carry out activities outside the Company and / or become a member of associations or organizations outside the Company if:

1. Such associations or organizations are prohibited by the government;
2. Employees abuse the Company's facilities to carry out activities within the association or organization;
3. These activities affect the reduction of working hours and/or work concentration of employees and do not prioritize duties and responsibilities as employees;
4. Done outside the purpose of self-development and/or free time replenishment.

CHAPTER IV

IMPLEMENTATION INSTRUCTIONS

4.1. Socialization

The process of enforcing the Code of Conduct starts from the socialization of the Company's Noble Values along with the Code of Conduct as an inseparable part. Socialization will be carried out by the Human Resources Division through face-to-face media and other electronic media that can be accessed by every Insan Erajaya easily. The objectives of socialization are as follows:

1. As a preparatory stage for the introduction of the Code of Conduct to every Erajaya Person;
2. Instill a Code of Conduct for every Erajaya person in order to learn and live the Company's Noble Values and Code of Conduct;
3. Give birth to awareness from every Person of Erajaya to apply the Code of Conduct in every action, including when running the Company's business.

4.2. Reporting Irregularities / Whistleblowing System

1. As a form of the Company's commitment, Erajaya stakeholders and personnel are obliged to report if they know of any violations and deviations from the Erajaya Code of Conduct and Noble Values;
2. For Insan Erajaya, reporting is addressed to the direct supervisor and/or whistleblowing team, while for other stakeholders it is addressed to the Whistleblowing Team;
3. The report must be based in good faith and not based on slander. Therefore the reporting must be supplemented with relevant supporting evidence and a clear identity of the complainant;
4. When the boss is hesitant in deciding the problem that occurs, the problem can be reported to the Whistleblowing Team; For every incoming report, the Whistleblowing Team is required to follow up and report it to the Board of Directors and /or the Board of Commissioners;
5. The Whistleblowing Team is obliged to keep the identity of the whistleblower confidential and the Company provides legal protection in accordance with applicable laws and regulations.
6. For parties who are instrumental in reporting and disclosure (whistleblower) can be considered to get an award from Erajaya.

4.3. Sanctions for Violations

1. Every Erajaya stakeholder who is proven to have violated the Code of Conduct will be sanctioned in accordance with the cooperation contract and/or regulations in force in the Company;
2. Sanctions for violations of the Code of Conduct committed by Insan Erajaya are in written and documented form, given by the minimum manager of the department concerned by involving the Human Resources Division;
3. If the violation committed is related to a violation of the law, it can be continued or taken to the authorities for processing in accordance with applicable laws and regulations.

CHAPTER V

INTEGRITY PACT AND ANTI-FRAUD STATEMENT

In order to support the implementation of Good Corporate Governance and to realize a clean, transparent, professional and ethical business world, I, as an Erajaya person, hereby state:

1. Have read and understood the Code of Conduct and Antifraud Statement of PT Erajaya Swasembada Tbk and its Subsidiaries and Affiliated Company, as well as understanding my obligations as an Insan Erajaya to comply with the policies and implement the rules contained in the code of conduct;
2. Using its potential to support the acceleration of the implementation and implementation of Good Corporate Governance by prioritizing integrity by acting honestly, trustworthy, responsible, disciplined, avoiding conflicts of interest;
3. Does not tolerate any fraud in the form of corruption, asset misappropriation, and financial statement fraud;
4. Report any violations through the whistleblowing system;
5. Willing to accept sanctions based on the provisions of the Company if it is proven to have violated the Code of Conduct and the Integrity Pact and Antifraud Statement.