

The Prohibition Of Monopolistic Practices And Unfair Business Competition

Introduction

The Policy on Prohibition of Monopolistic Practices and Unfair Business Competition ("Anti-Monopoly Policy") of PT Samudera Indonesia Tbk and Subsidiaries (the "Company") is a document on how to know, recognize and deal with issues that can be categorized as monopolistic practices and unfair business competition, which must be recognized and obeyed by all employees who are involved in sales, marketing, and/or having relationships or communication with competitors, as well as people involved in trade associations ("Related Personnel").

The Company strictly prohibits all discussions or communications with the purpose, whether intentionally or unintentionally and/or would have an impact, which can be interpreted as agreements or shared or common understanding, or efforts to encourage parties to enter into agreements or shared or common understandings which violates the provisions regarding monopolistic and unfair business competition practices.

The parties who carry out monopolistic practices and unfair business competition may be subject to punishment according to the applicable regulations, including criminal penalties (either fines or imprisonment), as well as administrative penalties (revocation of business licenses, cancellation of agreements, payment of compensation, and cancellation of transactions).

Legal Reference

1. Law No. 5 Year 1999 on Prohibition of Monopolistic Practices and Unfair Business Competition.
2. Presidential Regulation No. 80 Year 2008 on the Amendment to Presidential Decree No. 75 Year 1999 on Business Competition Supervisory Commission.



3. KPPU Regulation No. 1 Year 2019 concerning Procedures for Handling Monopolistic Practices and Unfair Business Competition Cases.
4. KPPU Regulation No. 3 Year 2012 concerning the Second Amendment to Regulation of the Business Competition Supervisory Commission No. 13 Year 2010 concerning Implementation Guidelines concerning Merger or Consolidation of Business Entities and Acquisition of Company Shares that Can Lead to Monopolistic Practices and Unfair Business Competition.
5. KPPU Regulation No. 02 Year 2010 Concerning Guideline of Article 22 Regarding Prohibition of Conspiracy in Tenders.

Purpose of the Anti-Monopoly Policy

1. To Prevent monopolistic and unfair business competition practices within the scope of the Company's business.
2. As a source of information and guideline for Related Personnel regarding matters that are prohibited in the anti-monopoly and unfair business competition rules.
3. To prevent material and immaterial losses that can disrupt the Company's sustainability.

Company's Anti-Monopoly Policy

A. PROHIBITED AGREEMENTS

Related Personnel are prohibited from making the following agreements:

1. Horizontal agreements, which is an agreement between two or more competitors that operate at the same level in the market, which can limit competition.
2. Vertical agreements, which is an agreement between companies at various levels of the supply chain, which can limit competition.
3. Oligopoly, which is controlling the production and/or marketing of goods and/or services.
4. Price Fixing is:
 - to fix the price of certain goods and/or services which must be paid by consumers in the same relevant market;
 - causing a consumer having to pay a price which is different from that payable by other consumer for the same goods and/or services;
 - to fix prices below market prices;
 - setting forth the condition that parties receiving the goods and/or services shall not sell or resupply the goods and/or services received by them, at a price lower than the contracted price.
5. Territory Determination, stating marketing territories or allocating the market for similar goods and/or services with competitors.
6. Boycott, is impede other business actors in engaging in the same business, either for domestic or overseas market purposes; with their business competitors to refuse to sell any goods and/or services of other business actors, whereby such act can causes a loss or may be suspected of potentially causing a loss to other business actors; or poses constraint on other business actors in selling or buying any goods and/or services from the relevant market

7. Cartel, is influencing prices by arranging the production and/or marketing of certain goods and/or services.
8. Trust, is cooperation by establishing a joint company or a larger company, by keeping and maintaining the continuity of each respective company or its members, with the aim of controlling the production and/or marketing of goods and/or services.
9. Oligopsony, is jointly controlling the purchase or acquisition of supplies in order to control prices of goods and/or services in the relevant market.
10. Vertical Integration, is controlling the production of several goods constituting products which are included in the production chain of certain related goods and/or services whereby each production series is the end product of processing or further processing, either in a direct or indirect series.
11. Exclusive Agreement, is an agreement:
 - setting forth the condition on the party receiving the goods and/or services shall only re supply or shall refrain from resupplying the aforementioned goods and/or services to certain parties and/or at a certain place;
 - setting forth the condition that the party receiving certain goods and/or services must be prepared to purchase other goods and/or services from the supplying business actor;
 - concerning prices or certain price discounts for goods and/or services, setting forth the condition that the business actor receiving goods and/or services from the supplying business actor: a. must be prepared to purchase other goods and/or services from the supplying business actor; or b. shall not purchase the same or similar goods and/or services from other business actors that are the competitors of the supplying business actor.

12. Agreements With Foreign Parties, which is an agreement with other parties overseas setting forth conditions which may cause monopolistic practices and/or unfair business competition.

Related Personnel are required to contact Corporate Compliance before making agreements that leads to the things mentioned above.

B. PROHIBITED ACTIVITIES

Related Personnel are prohibited from carry out activities that result in:

1. controlling the production and/or marketing of goods and/or services which may cause monopolistic practices.
2. controlling the acquisition of supplies or from acting as sole buyer of goods and/or services in the relevant market or monopsony practices.
3. engaging in one or several activities in the form of the following:
 - reject and/or impede certain other business actors in conducting the same business activities in the relevant market;
 - impede consumers of their competitors in engaging in a business relationship with such business competitors;
 - restrain the distribution and/or sales of goods and/or services in the relevant market;
 - engage in discriminatory practices against certain business actors.
4. supplying goods and/or services at a price below cost or by setting extremely low prices with the aim of eliminating or ruining the business of their competitors in the relevant market.
5. unfair practices in determining production cost and other costs as part of the price component of goods and/or services.

6. Arranging and/or determining the awardees of tenders.
7. obtaining information regarding the business activities of their competitors classified as company secret.
8. impede the production and/or marketing of goods and/or services of their competitors with the aim of causing the goods and/or services offered or supplied in the relevant market to diminish, either in the quantity, quality or timeliness required.

9. DOMINANT POSITION

There is no prohibition to have dominant position, however Related Personnel shall be prohibited from using Company's dominant position either directly or indirectly to:

- a. Determine the conditions of trading with the aim of preventing and or impeding consumers from obtaining competitive goods and or services, both in terms of price as well as quality; or
- b. restrain the market and technology development; or hamper other potential business actors from entering the relevant market.

10. REBATES

Rebates are commercial practices where a reduction in the standard price of a product is offered to consumers which depends on consumer buying behavior. Rebates can include all types of discounts, offers, which involve conditional price reductions and/or bonuses. Granting rebates is not prohibited if it is based on the purchase volume and all consumers are given the same treatment.

11. ASSOCIATION

There is no prohibition for the Company to be a member of an association, however Related Personnel are prohibited from:

- a. Share or receive from competitors specific and detailed information with regards to prices, rebates, discounts and supply requirements, profit margins, cost structures, calculation practices, market shares, regions, consumers, and other sensitive information at an association meeting; or
- b. participate in a voting for the purpose of excluding a member from the association's membership, from the market or from activities in which territory covered by the association; or
- c. participating in discussions that violate any provision of law.

Responsibilities of Related Personnel

1. Relevant Personnel is obliged to read, understand, and comply with this Anti-Monopoly Policy.
2. Related Personnel is obliged to prevent, detect and report any violations of the Anti-Monopoly Policy in any form.
3. Related Personnel is obliged to avoid any activity that could lead to or indicate a violation of this Anti-Monopoly Policy.
4. Relevant Personnel is obliged to immediately notify Corporate Compliance, or access and use the Company's Whistle Blowing System, if the Related Personnel believes or suspects that violations of this Anti-Monopoly Policy have or may occur.
5. Relevant Personnel who violate the Anti-Monopoly Policy shall be subject to disciplinary sanctions which may result in termination of employment due to serious violations.

Training and Communication

1. Related Personnel will receive special training on how to implement and comply with this Anti-Monopoly Policy.
2. Related Personnel supports the success of Anti-Monopoly Policy.

BOARD OF DIRECTORS

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