Manual Policy

Taxation

MAN-FAD-002

Edition: 1 (One)

Valid since: 01 January 2022

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1. BASIC PRINCIPLES

1.1. Commitment to meet all tax compliance and disclosure obligations in accordance with relevant tax laws and regulations.

1.2. Always perform tax payment obligations fairly and correctly.

1.3. Effective and efficient tax management and administration, and ensuring that all tax planning is built on a healthy commercial business operations and complies with relevant tax laws and regulations.

1.4. Will not adopt any tax planning and strategies that violate the laws and regulations to evade tax obligations.

2. ETHICAL PRINCIPLES

Implement Good Corporate Governance principles in taxation practices in accordance with applicable regulations, which are:

2.1. Transparent: helps to build mutual trust within the organization.

2.2. Accountability: demonstrate accountability by having the necessary knowledge and expertise in taxation or consult with independent tax experts, as well as being able to compile adequate documentation and support taxation aspects in the transactions conducted by the Company and its subsidiaries.

2.3. Responsibility: being responsible for the decisions that have been determined according to the tax management process.

2.4. Independence: process executors are free from conflicts of interest and act in the best interest of the Company and its subsidiaries.

2.5. Fairness: ensuring that business transactions carried out by the Company and its subsidiaries are at arm's length and take into account the interests of all stakeholders.

3. TAX COMPLIANCE

3.1. The Company and its subsidiaries are required to comply with applicable laws and regulations, in accordance with taxation and disclosure regulations.

3.2. The Company and its subsidiaries have a Tax Department under the leadership of the Group Finance Director who is responsible to manage tax-related matters based on a healthy and responsible commercial principles in accordance with applicable tax laws, as well as to be responsible in supervising and monitoring tax risks.

3.3. The Company and its subsidiaries' tax department have competent and experienced human resources, are supported by a reliable integrated accounting information system, and are always committed to continuous improvement and the development of technological innovations so that tax administration within the Company and its subsidiaries can be carried out more effectively and efficiently, resulting in an accurate and timely tax compliance reporting.

3.4. The Company and its subsidiaries' tax department ensure that:

3.4.1. Tax reporting are completed accurately and submitted on timely basis.

3.4.2. All tax reporting must be supported by technical justifications and appropriate documentation.

3.4.3. All taxes must be reported and paid according to the due date specified in the tax regulations.

3.4.4. Transactions between subsidiaries within the ANJ Group are conducted reasonably and supported by relevant analysis and documentation.

3.5. The tax authority can carry out a routine tax compliance and completeness audit/review on the the Company and its subsidiaries. The Company and its subsidiaries are required to:
   3.5.1. Support and disclose the data required for the inspection.
   3.5.2. Evaluate every finding submitted by the tax auditor and ensure that the findings are correct and in accordance with tax laws and regulations.
   3.5.3. File an objection and/or appeal following tax laws and regulations if the findings are not in accordance with facts, fairness or applicable tax laws and regulations.
   3.5.4. Pay additional taxes and fines (if any) on the agreed findings, and take corrective actions so that the taxation aspects for similar transactions can be complied.

3.6. The Group Finance Director conveys to the Audit Committee about tax compliance and significant findings from the tax audit/review. The Audit Committee can provide advice and direction to support the tax compliance of the Company and its subsidiaries.

4. BUSINESS TRANSACTIONS

In order to manage tax risks effectively and proactively, the Tax Department of ANJ Group will be involved starting from planning to the entire implementation process of each commercial transaction such as, but not limited to, the following:

4.1. Transactions with affiliated parties, especially to assess that transactions have been carried out fairly (at arm's length) in accordance with tax laws and regulations, and transactions have been supported by documentation required by tax laws and regulations, including documents regarding transfer pricing.
4.2. All mergers and acquisitions.
4.3. Changes in company structure/share ownership.
4.4. Cross-border trade, service and/or financing transactions between companies.
4.5. All significant changes in business transactions and financing.

Under any circumstances, the Company and its subsidiaries will not adopt aggressive tax planning such as sheltering and/or avoiding the obligation to comply with tax payments in a Tax Haven Country.

5. USE OF EXTERNAL INDEPENDENT EXPERT

ANJ Group believes that the use of external independent tax experts will have a positive impact on the Company in managing tax administration risks, especially in the following matters:

5.1. Provide tax opinion on unusual business transactions
5.2. Accompany the Company and its subsidiaries in handling tax objection/appeal/court.
5.3. Provide documentation or analysis services regarding transfer pricing.
5.4. Providing services for calculating income taxes such as withholding tax art. 21, corporate income tax, and others.

6. TAX TRANSPARENCY

6.1. ANJ Group is always commited to establish and maintain a constructive working relationship with all tax authorities.

6.2. ANJ Group will always provide timely and accurate responses to any reasonable requests from tax authorities.

6.3. ANJ Group is committed to having an open dialogue with tax authorities to discuss issues related to taxes and/or tax policies.

Appendix 1. Terms and Definitions

1. **Merger**: a process to combine two or more companies into one company, through a share purchase transaction without revoking the company's rights to operate.
2. **Acquisition**: the purchase of a company by another company or group of investors in which the acquired company surrenders all assets and is not entitled to operate.
3. **Tax haven country**: a country that becomes a haven for taxpayers, so that these taxpayers can reduce or even avoid paying their taxes.
4. **Transfer pricing**: determination of prices that are in accordance with the fairness and common business transactions between companies that have related relationship.