

PT BATS International Group – TP Service
Email : info.batsinternationalgroup@gmail.com



Number : Q-028/BATS/IV/2022

Jakarta, April 12th, 2022

To
Mr. Hiroaki Takeishi
President Director
Sanac Isogai Global Supply (Indonesia) , PT
Jl. Kenkari Jaya Blok D No.12,Delta Commercial Park 2,
Delta Silicon VI, Lippo Cikarang West Java

Re : Quotation and Proposal for 2021 Transfer Pricing Documentation

Dear Sir,

We are pleased to have the opportunity to present PT. Sanac Isogai Global Supply (Indonesia) with our proposal for 2021 Transfer Pricing Documentation. The proposal summarizes our understanding of you requirements and outlines our qualification to serve you.

We take pleasure in offering our services to your company and believe that we are well qualified to meet your specific needs. We hope that you will consider our proposal favorably, and look forward to the opportunity of working with you.

Relating to the company needs to make a transfer pricing documentation we over service as follow :

No	Type of Assignment	Fiscal Year	Price
1	Transfer Pricing Documentation Local File and Master File Service <u>Additional scope of Work:</u> 1. Qualitative analysis of existing debt (loan) and interest 2. Gradually review of the contract 3. Analysis of the calculation of the Debt to Equity Ratio (DER) 4:1 4. Implementation of PP No. 94/2010 concerning the calculation of taxable income : a. Art 12 about loan with zero interest, b. Art 15 about Income tax art 26 concerning income tax is imposed on income received by foreign taxpayers from Indonesia	2021	IDR100.000.000,- Special discount IDR15.000.000,- Nett IDR85.000.000,-
	Total price		IDR85.000.000,-

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The price does not include OPE (exp: transportation, lodging, accommodation). These items will be reimbursed according to actual cost (if any).

Please assign 1 (one) of your staff to communicate and closely work with us on this assignment. The schedule of the assignment will be determined later.

Should you wish to discuss any aspect of this proposal, please do not hesitate to contact us at 08161105174 (Brian Pramudita) or 0815-846998 (Tumiran Tawirana).

Looking forward to hearing from you soon. Thank you very much for your kind attention

Yours sincerely,
PT. BATS International Group

A handwritten signature in black ink, appearing to read "Brian", followed by the BATS Strategy Research Consulting logo. The logo consists of the word "BATS" in a bold, white sans-serif font inside a dark grey rectangular box, with the words "Strategy", "Research", and "Consulting" stacked vertically to its right in a smaller, black sans-serif font.

Brian Pramudita, SE. Ak. M.Ak. CA. CPA. Tax Registered Consultant
CEO & Founder PT BATS International Group

PROPOSAL FOR TAX SERVICES
CONTENTS

- I. SCOPE OF ENGAGEMENT
 - A. OUR UNDERSTANDING OF YOUR REQUIREMENTS
 - B. SERVICES TO BE PROVIDED
- II. FEE ARRANGEMENT
 - A. FEES AND BILLING SCHEDULE
 - B. OUT OF POCKET EXPENSES
 - C. VALUE ADDED TAX AND WITHHOLDING TAX
- III. OUR ENGAGEMENT TEAM
- IV. LIMITATION AND LIABILITY
- V. CONFIDENTIALITY
- VI. GOVERNING LAW AND DISPUTE RESOLUTION
- VII. ACKNOWLEDGEMENT

I. SCOPE OF ENGAGEMENT

A. OUR UNDERSTANDING OF YOUR REQUIREMENTS

It is our understanding that one of the major concerns of your business is bottom line optimization. In the area of taxation, this objective can be met by:

1. Minimizing tax exposure
2. Maximizing tax savings
3. Complying with the prevailing tax regulations

However, the prevailing tax regulations (as well as the tax environment/ system) are very complex, and furthermore there are many areas liable to misinterpretation. As a result, one who is not well versed in the subject of taxation may miss tax saving opportunities, be exposed to tax problems, or not fully comply with tax regulations. To avoid these situations, your company wishes to engage a professional tax consultant.

B. SERVICES TO BE PROVIDED

Our transfer pricing services stated herewith are pursuant to the Ministry of Finance Regulation No. 213/PMK.03/2016 (PMK-213) which came to force in 30 December 2016.

Based on the PMK-213, certain taxpayers are required to follow a three-tiered approach to transfer pricing documentation. The three-tiered transfer pricing documentation consists of:

- Local File;
- Master File; and
- Country-by-Country Report.

Based on the confirmation that we have received from you, we understand that you are required to prepare all the three-tiered transfer pricing documentation for fiscal year 2021.

Having said the above, we are pleased to present you with our scope of services for the said transfer pricing documentation.

Transfer Pricing Documentation (TP Doc – Local, Master File or CBC Report)

We propose to assist The Company in preparing a report of Transfer Pricing Documentation to document and provide support for The Company's principal cross-border related party arrangements (i.e., those identified in the Financial Statements).

The assignment would commence with the following stages:

1. Pre-project planning

This will include preparation in detail and agreement with you a project plan and time-line which fits in with your other commitments and your timetable for implementation.

2. Stage 1- Functional analysis

This will include a fact-gathering exercise being undertaken with the Company to compile various background information including a description of the significant elements of the group's business, the value and structure of the Company's principal related party transactions, and a functional analysis demonstrating the key functions performed, assets employed and risks borne in those related party transactions.

We will prepare a written information request describing information that is necessary to complete the business description and functional analysis, and will conduct interviews with the Company's relevant personnel. A draft business description and functional analysis will be discussed and agreed with the Company prior to select and applying an arm's length methodology to test the transactions.

3. Stage 2 – Transfer pricing analysis

After preparing an accurate and detailed picture of the context and structure of the Company's principal related party transactions, we will compile relevant benchmarking data. The availability of benchmarking data will depend on the extent of any dealings the Company has with independent seller/customers. For example, if the Company also rents from independent lessor under similar circumstances, it may be possible to apply an arm's length methodology, which relies on the price or profit outcomes of those transactions.

Further correspondence with The Company personnel may occur at this stage to confirm the details with regard to potential "internal" benchmarks (if any). If such internal benchmarking data is unavailable, the analysis may include searching various business databases to identify independent companies with a similar set of functions, assets and risks to the Company.

The selection of an appropriate arm's length methodology will depend on the benchmarking data available.

4. Stage 3 – Comparable data analysis and special factor analysis

A comparability analysis will be prepared to demonstrate the application of an arm's length methodology to test the Company's transfer pricing. The analysis will identify any significant factors affecting the comparability of the available benchmarks with the Company and, where appropriate, quantify the impact of those factors. The benchmarks will be used to develop an arm's length range of results, which will be compared with the Company's transfer prices/ profit outcomes from the transactions under review (i.e. those identified in the above). The results of the comparability analysis will be discussed with the Company prior to finalizing our report.

This stage will also include analyzing the special factors that may have abnormally impacted the profitability of the Company (if any).

5. Stage 4 -Documentation

A written report in English or Indonesia language will be prepared for the Company, describing in detail the analysis outlined above. The report will identify and support judgments made in the course of our analysis, including the functional analysis prepared, the selection of an appropriate arm's length methodology to test whether the relevant transactions comply with the arm's length principle as outlined in the Organization for Economic Co-operation and Development ("OECD") Transfer Pricing Guidelines and prevailing Indonesian tax regulations and the development of an arm's length range of results. The report will present a conclusion regarding the Company's compliance with the arm's length principle. Detailed attachments will be provided showing the financial analysis performed and the process followed to identify benchmark data.

Please note that our report and the conclusions presented therein will be from an Indonesian transfer pricing regulation perspective only.

Should The Company require PT. BATS International Group to provide services or assistance other than prescribed above, The Company shall agree with a separate agreement accordingly.

II. FEE ARRANGEMENT

A. FEES AND BILLING SCHEDULE

Our fee will be based on a fixed fee.

For service Local File and Master File: IDR 85.000.000,

The fee will be billed based on the following:

Upon commencement of the work - 50%

Upon delivering final reports - 50%

B. OUT OF POCKET EXPENSES

Out-of-pocket expenses ("OPE") such as hotel/transportation/traveling expenses and communications expenses will be billed in addition to our fees, based on actual costs incurred.

C. VALUE ADDED TAX AND WITHHOLDING TAX

In addition to the above fee, PT BATS International Group is not PKP (Pengusaha Kena Pajak) so the fees without VAT and the company no need to pay the VAT.

Company's obligation under the current regulations is to withhold income tax under Article 23 (PPH 23) at the rate of 2% from the total fee and out-of-pocket expenses.

III. OUR ENGAGEMENT TEAM

The key member of the engagement team is as follows:

Brian Pramudita. SE, Ak, M.Ak, CA, CPA, BKP – Managing Partner
Tumiran Tawirana, SE. Ak. MM - Partner
Risky Adhi Pratama. SE, M.Se, MIDEK – Team Leader
Nur Isnaini, S.Ak – Staff
Ivana Constantia Kadarisman, S.Ak - Staff

IV. LIMITATION AND LIABILITY

The following section limits the extent to which PT BATS International Group may be liable to you in connection with the engagement outlined in this letter.

If PT BATS International Group is found to be liable to Company for any reason arising out of the engagement outlined in this letter (including, without limitation, negligence, breach of contract, breach of any statutory provision or statutory obligation or any other liability howsoever arising), the total amount which PT BATS International Group shall be liable to pay you for all such claims will be limited to 3% of the total amount of fees paid by you in connection with the engagement outlined in this letter.

PT BATS International Group will not be liable to you for any indirect or consequential losses Company may suffer, including but not limited to special or incidental loss damage or expense, loss of profit, savings or opportunity costs even if we have been advised of their likelihood.

V. CONFIDENTIALITY

PT BATS International and Company agrees to take reasonable steps to maintain the confidentiality of any proprietary or confidential information of the other.

In respect of PT BATS International Group, the confidentiality obligation shall not apply to:

1. Information which is, or which through no fault of PT BATS International Group becomes, public knowledge; or
2. Information which becomes available to PT BATS International Group legitimately and lawfully from a third party, to the extent such information is received without obligation of secrecy or restriction on use from said third party; or
3. Information which is already in PT BATS International Group's possession in written form without restriction on use or disclosure and which was not in anticipation of performance of this engagement; or
4. Disclosure of information required by law as well as by public authorities or courts of law; or
5. Disclosure to other consultants or professionals hired by Company provided such disclosure is notified upfront or thereafter to the Client.

VI. GOVERNING LAW AND DISPUTE RESOLUTION

All aspects of the services under this engagement are governed by and construed in accordance with the laws of Indonesia. Any dispute, controversy or claims arising out of or relating to this proposal, if not amicably settled between PT BATS International Group and Company, shall be settled by a panel of three arbitrators to be appointed pursuant to the Rules of BANI – Badan Arbitrase Nasional Indonesia (The Indonesian Arbitration Board), which will serve as a final, binding and executable settlement.

VII. ACKNOWLEDGEMENT

If the above terms meet with your approval, we would appreciate your signing one copy of this letter and returning it to us. The second copy should be kept for your records.

We take pleasure in offering our services to your company and believe that we are well qualified to meet your specific needs. We hope that you will consider our proposal favorably, and look forward to the opportunity of working with you.

Yours sincerely,



BATS Strategy
Research
Consulting

Brian Pramudita, SE. Ak. M.Ak. CA. CPA. Tax Registered Consultant
CEO & Founder PT BATS International Group

PT BATS International Group – TP Service
Email : info.batsinternationalgroup@gmail.com



Agreed and Accepted on behalf of
Sanac Isogai Global Supply (Indonesia) , PT

A handwritten signature in black ink, which appears to be "Takeishi", is written over a blue circular stamp. The stamp contains the text "SANAC ISOGAI GLOBAL SUPPLY" around its perimeter.

Mr. Hiroaki Takeishi
President Director