

Number: 022/TGRA-IDX/XII/2021

Jakarta, 28 December 2021

To:

**Financial Services Authority (Otoritas Jasa Keuangan, "OJK")**

Gd. Sumitro Djojohadikusumo

Jl. Lapangan Banteng Timur No. 2 – 4

Jakarta 10170

**Subject: Report on the Appointment of Public Accountant and/or Public Accounting Firm to Audit the Historical Annual Financial Statement for Year 2021**

Dear Sir/Madam,

We refer to the resolutions of the General Meeting of Shareholders dated 15 September 2021 with the agenda to grant authority to the Board of Commissioners to appoint a Public Accountant (*Akuntan Publik*, "AP") and/or Public Accounting Firm (*Kantor Akuntan Publik*, "KAP") to Audit the Historical Annual Financial Statement for Year 2021. We hereby inform you that we have appointed the AP and/or KAP, as follows:

1. AP
  - a. Name : Irwanto, S.E., Ak., CPA, CRA, CPI, CLI
  - b. Minister of Finance Public Accountant : AP No. 0432  
Registration Number
  - c. Registration Certificate : STTD.AP-256/PM.22/2018 (Capital Market)  
STTD.AP-01/PB.122/2019 (Banking)  
STTD.AP-07/NB.122/2021 (Banking)
  - d. Year of Assignment : 2022
2. KAP
  - a. Name : KAP Irwanto, Hary dan Usman
  - b. OJK Registration Number : STTD.KAP-39/PM.22/2018

To complement this report, please find the following enclosed attachments:

1. Audit Committee's Recommendations on the Appointment of a Public Accountant ("AP") and Public Accounting Firm ("KAP") to Audit the Company's Financial Statement for the Period Ended on 31 December 2021.
2. Letter of approval for the audit on the Consolidated Financial Statement of PT Terregra Asia Energy Tbk. and Its Subsidiaries.

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We thank you for your kind attention.

Sincerely yours,

**PT TERREGRA ASIA ENERGY Tbk.**

**[signed]**

**DANIEL TAGU DEDO**

Director

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Date : Jakarta, 17 December 2021  
Number : 057/TAE-BODC/XII/2021

To:

**Board of Directors**

**PT Terregra Asia Energy Tbk. ("Company")**

Lippo Puri Tower #0905 St. Moritz  
Puri Indah Raya Boulevard U1-3  
CBD West Jakarta, Indonesia 11610

Att. to: **Mr Djani Sutedia**  
President Director

**Subject: Audit Committee's Recommendations on the Appointment of a Public Accountant ("AP") and Public Accounting Firm ("KAP") to Audit the Company's Financial Statement for the Period Ended on 31 December 2021**

Dear Sir/Madam,

Pursuant to the proposal of engaging an AP and a KAP to audit the Financial Statement of PT Terregra Asia Energy and Its Subsidiaries for the period ended on 31 December 2021, we recommend using the services of KAP IRWANTO, HARY DAN USMAN.

Our considerations to support the recommendation to appoint the aforesaid AP and KAP are:

**1. Independence of the AP, KAP, and Persons in the KAP**

In rendering its services, KAP Irwanto, Hary dan Usman is able to perform an audit independently and without any conflicts of interest as defined in the Law on Public Accountants.

**2. Scope of the Audit**

The engagement includes an objective audit on the financial statement and a fairness opinion on the presentation of such financial statement in accordance with the standards for Public Accountants.

**3. Fees for the Audit Services**

Auditing fees are set based on its scope and duration of engagement. Our view is that the fees proposed by KAP Irwanto, Hary dan Usman are reasonable.

**4. Expertise and experience of the AP, KAP, and KAP's Audit Team**

AP, KAP, and KAP's Audit Team are competent and experienced in its specialisation and is registered at the OJK.

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**5. Methodologies, techniques, and approaches to audit used by the KAP**

Taking into account its experience, competence, and reputation, we understand that KAP Irwanto, Hary dan Usman implements methodologies, techniques, and approaches that are in accordance with the Standard on Auditing issued by the Indonesian Institute of Certified Public Accountants (*Institut Akuntan Publik Indonesia, "IAPI"*). In addition, the KAP complies with the principles of professional competence and due care.

**6. Advantage of the fresh eye perspective from changing the AP, KAP, and the KAP's Audit Team**

The advantage of the fresh eye perspective obtaining from changing the AP, KAP, and the KAP's Audit Team every five years is to provide a critical view of the Company.

**7. Evaluation of the audit engagement over the historical annual financial information by the AP and KAP in the previous period**

We have conducted an evaluation for the audit engagement in the previous period by KAP Mirawati Sensi Idris dan Rekan on 16 December 2021, as attached herewith.

We thank you for your kind attention.

Sincerely yours,  
**PT Terregra Asia Energy Tbk.**

(stamped)

(signed)

(signed)

**Ngurah Adnyana**

President Commissioner

**Supandi W.S**

Independent Commissioner

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**AUDIT COMMITTEE'S EVALUATION OF THE AUDIT ENGAGEMENT BY THE PUBLIC ACCOUNTING FIRM FOR THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE PERIOD ENDED ON 31 DECEMBER 2020**

**PT TERREGRA ASIA ENERGY TBK.**

In accordance with Article 28 Section (1) Subsection b of the Regulation of the Financial Services Authority No. 13/POJK.03/2017, we wish to inform you our evaluation on the Public Accounting Firm ("KAP") Mirawati Sensi Idris dan Rekan signing the Independent Auditor Report No. 00104/3.0341.AU.1/02/0322-2/1/VI/2021 dated 25 May 2021 on the Consolidated Financial Statement as of 31 December 2020 of PT Terregra Asia Energy Tbk. and Its Subsidiaries ("Company").

As part of the duties, responsibilities, and authorities of the Audit Committee to provide recommendations to the Board of Commissioners on the appointment of the KAP, we conclude the following:

**1. Compliance with the Prevailing Audit Standards**

Based on our meeting with the Public Accountant ("AP") and KAP, we believe that the AP and KAP have sufficient knowledge and competence in auditing and presenting the Company's financial statement.

In addition, the AP and KAP have performed the audit in accordance with the Standard on Auditing issued by the Indonesian Institute of Certified Public Accountants ("IAPI") ("Public Accountants Professional Standards, *Standard Profesional Akuntan Publik*, "SPAP").

**2. Scope of the Audit and Data Examination**

The AP and KAP have intensely communicated with the Audit Committee concerning the scope of the audit and audit evidence used. As such, the Audit Committee believes that that scope of the audit and audit evidence are sufficient to support its opinion. However, we have found several open items from previous years that are not presented or examined.

**3. Timeliness in Performing the Audit**

The AP and KAP have completed the audit on the Financial Statement of PT Terregra Asia Energy Tbk. on schedule as agreed by the AP, KAP, and Company.

Based on our views above, the Audit Committee is in the opinion that KAP Mirawati Sensi Idris dan Rekan signing the Independent Auditor Report No. 00104/3.0341.AU.1/02/0322-2/1/VI/2021 dated 25 May 2021 on the Consolidated Financial Statement as of 31 December 2020 of PT Terregra Asia Energy Tbk. and Its Subsidiaries has performed the audit satisfactorily.

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We thank you for your kind attention.

Jakarta, 16 December 2021

Sincerely yours

**Audit Committee of PT Terregra Asia Energy Tbk.**

**(signed)**

**Supandi W.S**

Chairman

**(signed)**

**Tisanto Adi**

Member

**(signed)**

**Ihot Parasian Gultom**

Member

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Date : Jakarta, 16 December 2021  
Number : 056/TGRA-KA/XII/2021

To:

**Board of Commissioners of PT Terregra Asia Energy Tbk.**

Lippo Puri Tower #0905 St. Moritz  
Puri Indah Raya Boulevard U1-3  
CBD West Jakarta, Indonesia 11610

Att. to: **Mr Ngurah Adnyana**

President Commissioner

**Subject: Audit Committee's Evaluation of the Audit on the Historical Annual Financial Statement for Financial Year 2020 by the Public Accounting Firm**

Dear Sir/Madam,

We refer to Article 28 Section (1) Subsection b of the Regulation of the Financial Services Authority No. 13/POJK.03/2017 on Use of Public Accountants and Public Accounting Firms in Financial Services Activities. We also refer to the audit engagement on the historical annual financial statement of PT Terregra Asia Energy Tbk. for Financial Year 2020 by the Public Accounting Firm ("KAP") Mirawati Sensi Idris dan Rekan signing the Independent Auditor Report No. 00104/3.0341.AU.1/02/0322-2/1/VI/2021 dated 25 May 2021 on the Consolidated Financial Statement as of 31 December 2020 of PT Terregra Asia Energy Tbk. and Its Subsidiaries.

We have attached the Audit Committee's evaluation for consideration by the Board of Commissioners of PT Terregra Asia Energy Tbk.

Based on our evaluation, KAP Mirawati Sensi Idris dan Rekan signing the Independent Auditor Report No. 00104/3.0341.AU.1/02/0322-2/1/VI/2021 dated 25 May 2021 on the Consolidated Financial Statement as of 31 December 2020 of PT Terregra Asia Energy Tbk. and Its Subsidiaries has performed its responsibilities satisfactorily. The evaluation is attached herewith.

We thank you for your kind attention.

Sincerely yours,

**Audit Committee of PT Terregra Asia Energy Tbk.**

**(signed)**

**Supandi W.S**

Chairman

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**Kantor Akuntan Publik**

**Irwanto, Hary dan Usman** – Pusat

Audit • Taxes • Accounting and Corporate Management

Izin Usaha Kantor Akuntan Publik Nomor 967/KM.1/2016

Number : 052/AU/IHU/IR/XII/2021  
Date : Bekasi, 27 December 2021

To:

**Directors**

**PT TERREGRA ASIA ENERGY TBK.**

Lippo Puri Tower, Unit 905

Puri Indah Raya, Blok U1-3

St. Moritz, CBD Jakarta Barat

**Subject: Proposal for General Auditing Services on the Group's Consolidated Financial Statement and Subsidiaries' Financial Statements as of 31 December 2021 and for the Year Then Ended**

Dear Sir/Madam,

We the Public Accounting Firm (“**KAP**”) Irwanto, Hary dan Usman (hereinafter referred to as “**IHU**”) are grateful for the opportunity to present our proposal for general auditing services on the consolidated financial statement of PT Terrega Asia Energy Tbk. (“**Company**”) and Its Subsidiaries (hereinafter collectively referred to as “**Group**”) and financial statements of subsidiaries as of 31 December 2021 and for the year then ended.

The following are the terms and conditions concerning our assignment. If you have questions and/or comments on our services or personnel, please do not hesitate to contact us.

#### **OBJECTIVE**

The objective of the general audit on the Group's consolidated financial statement and subsidiaries' financial statements is to express a fairness opinion on the presentations of such statements, in all material respects in accordance with Indonesian Financial Accounting Standards (*Standar Akuntansi Keuangan*, “**SAK**”).

#### **SCOPE OF THE ASSIGNMENT AND AUDITOR'S RESPONSIBILITIES**

We have been assigned by the Company to perform a general audit on the Group's consolidated financial statement and subsidiaries' financial statements as of 31 December 2021 and for the year then ended. The financial statements consist of consolidated statement of financial position as of 31 December 2020, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows for the year the ended. The dates and periods of the financial statements are hereinafter referred to as “**Financial Year**”.

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The objects of our audit are the consolidated financial statements for Financial Year 2021 of the following:

- Consolidated financial statement of PT Terregra Asia Energy and its subsidiaries
- Consolidated financial statement of PT Terregra Hydro Power and its subsidiaries
- Financial statement of PT Sumber Alam Energi Hidro
- Financial statement of PT Cahaya Abadi Lestari Energi
- Financial statement of PT Karya Alam Lestari Energi
- Financial statement of PT Berkah Alam Lestari Energi
- Financial statement of PT Energi Alam Sentosa
- Financial statement of PT Indah Alam Lestari Energi
- Financial statement of PT Karya Abadi Lestari Energi
- Financial statement of PT Borneo Hydro Electric
- Financial statement of PT Musi Hydro Electric
- Financial statement of PT Teunom Hidro Power
- Financial statement of PT Meutia Hidro Perkasa
- Financial statement of PT MYI Hidro Power
- Financial statement of PT MYI Energi Lestari

Our audit on the Group's consolidated financial statement and subsidiaries' financial statements above in accordance with the Standard on Auditing issued by the Indonesian Institute of Certified Public Accountants ("IAPI"). We must emphasise that the audit on the Group's consolidated financial statement and subsidiaries' financial statements do not release the Management from their responsibility on the financial statements.

An audit on consolidated financial statement includes the following:

- a. Sufficient knowledge on the Group's internal controls and its environment in order to assess the risks of material misstatements in the consolidated financial statements and in order to determine the nature, period, and scope of the audit procedure. Considerations on internal controls for the consolidated financial statement are also a rationale to provide a basis on the appropriateness of the audit procedure in the circumstances, although it is not intended to provide a basis in expressing an opinion on the effectiveness of the Group's internal management for the reporting of the financial statements.
- b. Investigation, on the basis of examination, on the evidence supporting the figures and disclosures presented in the consolidated financial statement.
- c. Assessment on the accounting principles used and significant estimates made by the management.
- d. Communications with those charged with governance ("TCWG") and with those responsible for oversight duties, including the Board of Commissioners, Directors, Audit Committee, and Internal Audit, and other parties on their view in regard to error, fraud, and non-compliance with laws and regulations ("NOCLAR") within the Company and its subsidiaries.
- e. Assessment on the presentation of the consolidated financial statement as a whole.

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The audit is planned and performed based on professional scepticism and considerations in order to obtain reasonable assurance that the consolidated financial statement is free from material misstatement, in accordance with the SAK. The material misstatement may be caused by errors, frauds, and NOCLAR. Due to the characteristics of fraud, an audit that is planned and performed adequately may still not be able to identify all of the material misstatements. Therefore, the auditor does not bear responsibility and cannot be fully expected to identify non-compliance to the relevant laws. Accordingly, there may be risks of unidentified material misstatement.

The audit on the consolidated financial statements is not intended to identify errors, frauds, and NOCLAR resulting in immaterial impact to the consolidated financial statement. In addition, it is not intended to obtain reasonable assurance on the effectiveness of the internal control and identification of reportable conditions. However, if in the auditing process we find the following:

- Significant deficiency in internal control;
- Frauds;
- NOCLAR;
- Other reportable conditions,

we will submit our findings in a separate letter to the management and/or TCWG, including to regulatory bodies for certain conditions in accordance with the prevailing regulations for public entities.

The opinion that we express and the language we use are heavily dependent on the facts and conditions as at the date of our report. In the event of circumstances that resulted in our inability to complete the audit or unable to express or not expressing an opinion, we are entitled to refuse to express an opinion or refuse to issue the report of this assignment. We will immediately seek to discuss this matter with the Group's management and/or TCWG, as well as with regulatory bodies in accordance with the regulations for public entities. If the matter cannot be resolved by deliberation, we are entitled to withdraw from the assignment. In that case, we and the Company and its subsidiaries agree to waive the provisions of Article 1266 and Article 1267 of the Indonesian Civil Code.

#### **MANAGEMENT'S RESPONSIBILITIES**

The consolidated financial statement is the responsibility of the Group's management. The management's responsibilities consist of, among others, accurate presentation of the consolidated financial statement in accordance with the Indonesian Financial Accounting Standards, including sufficient disclosures, preparation of accounting notes, sufficient internal controls, accounting policies and accounting estimates, security of the Group's assets. The responsibilities also include obtaining assurance that the Group has operated in accordance with the prevailing laws and regulations.

As part of the audit process, we will discuss with the management on statements presented in the consolidated financial statement. The management's response and statement in writing are required by the standard of auditing as a reliable audit evidence in order to express an opinion for the consolidated financial statement.

The management is also responsible to provide unlimited access to all of the information resources in connection with the preparation and presentation of the consolidated financial statement, including

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notes, documents, and other materials; additional information that we request to the management for auditing purposes; and, unlimited to access to the Company's employees that we consider necessary to obtain audit evidence. The unlimited access also applies to communications with the TCWG and the Company's legal, tax, financial, and other consultants in order to obtain assurance of the presentation of the Group's consolidated financial statement.

In connection with this assignment, IHU together with the management and TCWG will take certain roles and bear responsibilities in order to assist IHU to maintain its independence and compliance with the prevailing regulations in Indonesia.

The Management and TCWG will coordinate with IHU to ensure that IHU stays independent during the audit in order to avoid non-compliance with the rules regulating auditors' independence.

### PROCEDURES AND SCHEDULE

This audit will commence immediately after this engagement letter is executed as an agreement of the engagement. The audit will take 68 business days until the draft of the audit report is submitted. The audit schedule is as follows:

Phase	Time	Activity	
Planning	Interim Period	Day 1 to day 3	<ul style="list-style-type: none"><li>– Communication with the TCWG.</li><li>– Communication with the Financial Services Authority (“OJK”).</li><li>– Kick-off meeting with the Group's management.</li><li>– Communication with the predecessor auditor.</li></ul>
		Day 4 to day 6	<ul style="list-style-type: none"><li>– Thorough understanding on the Group's business, internal controls, entity internal environment, and laws subjecting the Group and its industry.</li></ul>
		Day 7 to day 11	<ul style="list-style-type: none"><li>– Identification and risk assessment of material misstatements; statement request to the management, TCWG, regulators, and other relevant parties; observation and inspection; and analytical procedures.</li></ul>
		Day 12	<ul style="list-style-type: none"><li>– Communication with relevant parties in connection with an indication of material misstatement caused by error, fraud, and NOCLAR.</li></ul>
Field work		Day 13 to day 17	<ul style="list-style-type: none"><li>– Examination and assessment on internal controls, control in connection with the preparation and presentation of the consolidated financial statement and in</li></ul>

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		connection with the compliance with the laws.
	Day 18 to day 19	– Determination on the materiality levels, types of transactions, balance and number of accounts in the consolidated financial statement and consolidated financial statement as a whole.
		– Determination on the audit sampling.
Year End	Day 20 to day 60	– Substantive test on transactions and balances in the consolidated financial statement; review and/or examination on the balance at beginning of the year, analytical procedures, examination on the appropriateness and consistency of accounting treatment in accordance with the prevailing SAK, examination on the accuracy, sufficiency and legitimacy of audit evidence; examination on subsequent payment and collection); examination on the fairness of accounting estimates; examination on mathematical accuracy; assessment of the sufficiency of disclosures and accuracy of presentation in accordance with the prevailing SAK and Regulation of BAPEPAM LK No. VIII.G.7, and; other relevant substantive procedures required for the conditions.
Reporting	Day 61 to day 65	– Preparation and submission of the draft audit report; recommendations on the adjustment of disclosures' sufficiency for the consolidated financial statement; proposal on the adjusting entries for the balances and figures in the consolidated financial statement; independent auditor's report; management letter; draft of management representation letter.
	Day 66	– Discussion on the draft audit report with the management and TCWG.
	Day 67 to day 68	– Finalisation and submission of the final audit report.

The audit procedures above are performed for the Company and its subsidiaries. Several procedures may only be applicable for the Company as a public entity listed on the exchange.

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The audit on the Group's consolidated financial statement and subsidiaries' financial statement will be simultaneously performed during the period above.

#### AUDIT TEAM

The composition of the audit team responsible for the Group's consolidated financial statement and subsidiaries' financial statements is as follows:

Position	Name	Responsibility
Engagement Partner	Irwanto, S.E., Ak., CA, CPA	Overall audit engagement
Team Manager	Endy Rochim, S.E., Ak., CPA	Ensuring planning and process of the audit engagement are in accordance with the prevailing Audit Standards and regulations
Team Head	Ratih Kumala, S.E., M.Ak.	Performing and leading the audit in accordance with the audit plan
Senior Auditors	Ratih Firdaus, S.E. Azhar Dwiarto, S.E. M. Satrio Wibowo, S.E.	Performing the audit in accordance with the audit procedures
Junior Auditors (Technical Assistants)	3 Auditors	Performing the audit in accordance with the audit procedures

#### AUDIT COORDINATION

The assignment may be commenced once this Engagement Letter is signed (approved) by the Company. List of assistance provided by the Group's personnel, including the list and analyses of accounts, will be made in a separate letter that we will provide before the audit. The timeliness of the assignment is heavily dependent on the assistance provided by the Group's personnel. In the event of a condition that result in the audit completed not on schedule, we will immediately notify the Group's management and/or TCWG. In certain conditions, we may also notify regulatory bodies because of the Company's status as a public entity, in accordance with the prevailing regulations.

#### COMMUNICATIONS

##### Communication with Predecessor Auditor

If this assignment is a general audit on the Group's consolidated financial statement that we perform for the first time, where in the previous years the consolidated financial statement was audited by another public accounting firm, then the management agrees to facilitate communications with the predecessor auditor in order to verify and clarify the balance at the beginning of the year. If the predecessor auditor does not respond to our request, we are entitled to perform additional procedures which may incur additional fees. In relation to immaterial items, the management may provide us the data or information pertaining to the balance at the beginning of the year. However, if the management is not willing to assist us with the data or information, we will consider modifying our opinion on the Group's consolidated financial statement.

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### Communication with Successor Auditor

If in the subsequent years we are not re-appointed as the Group's auditor, the successor auditor may request us to provide the information to verify the balance at the beginning of the year. To that end, we will provide a consent and acknowledgement letter signed by us, the successor auditor, and the Company. We will charge a certain sum that will be determined after the letter is approved by the parties.

### FORM OF THE REPORT

We will submit the audit results in the form of following reports in Indonesian and English (bilingual):

- Five (5) copies of the independent auditor's report on the Group's consolidated financial statement and subsidiaries' financial statements as of 31 December 2021 and for the year then ended for each entity stated in the "SCOPE OF THE AUDIT AND AUDITOR'S RESPONSIBILITY" above.
- Three (3) copies of the Management letter.

Each additional copy will cost Rp750,000 (seven hundred fifty thousand rupiah) per copy for the Group's consolidated financial statement, Rp500,000 (five hundred thousand rupiah) per copy for subsidiary's financial statement and Rp200,000 (two hundred thousand rupiah) per copy for management letter. These fees exclude the 10% VAT.

### HONORARIUM

Based on our knowledge on the Company and its subsidiaries, our honorarium for the above services is **Rp357,000,000 (three hundred fifty-seven million rupiah)**, excluding 10% VAT, as follows:

Entity	Fee
PT Terregra Asia Energy Tbk. and its subsidiaries (consolidated)	Rp60,000,000
PT Terregra Hydro Power and its subsidiaries (consolidated)	Rp50,000,000
PT Sumber Alam Energi Hidro	Rp30,000,000
PT Cahaya Abadi Lestari Energi	Rp15,000,000
PT Karya Alam Lestari Energi	Rp15,000,000
PT Berkah Alam Lestari Energi	Rp30,000,000
PT Energi Alam Sentosa	Rp30,000,000
PT Indah Alam Lestari Energi	Rp25,000,000
PT Karya Abadi Lestari Energi	Rp15,000,000
PT Borneo Hydro Electric	Rp10,000,000
PT Musi Hydro Electric	Rp10,000,000
PT Teunom Hidro Power	Rp20,000,000
PT Meutia Hidro Perkasa	Rp17,000,000
PT MYI Hidro Power	Rp15,000,000
PT MYI Energi Lestari	Rp15,000,000
<b>Total</b>	<b>Rp357,000,000</b>

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We will send the invoices for fees above based on the following milestones:

- 25% when the engagement letter is signed, and the audit is commenced
- 25% when the draft audit report is submitted
- 50% when the final audit report is submitted

Our invoice becomes due and payable upon receipt and in whatever condition, becomes owing in 5 days from the date the Company receives the invoice. If the invoice is not paid on time, we may suspend the work until the payment is made.

For the honorarium above, the Company is required to deduct the Article 23 Income Tax and pay such amount to the State's Treasury and send the tax receipt to us.

Bank fees that incur from the honorarium payment, including real-time gross settlement (RTGS), stamp duty, foreign transaction fees, and other administrative fees will be borne by the Company.

The above honorarium excludes the following:

- Fees for attending General Meetings of Shareholders and its associated fees such as flight tickets and airport tax, accommodations, and other expenses will be borne by the Group.
- Travel fees and accommodations for work outside of Jabodetabek.

We inform you that the honorarium above is made based on the assumption that the audit is performed without any disruptions beyond our control that may require significant additional time. In the event of such condition, we may charge an additional fee to the Company.

If for some reason after signing the Engagement Letter or after commencing the audit, the Group instructs us to cease the auditing work as stated in this engagement letter, we will immediately cease all auditing work, including if unforeseen circumstances prevents us from completing our assignment and issuing the audit report. We will immediately seek to discuss such matters with the Group's management and TCWG and we will take measures we deem appropriate. In the event of such circumstance and if the Group approves, we will charge the Group to pay for the time and costs incurred up to the date of such circumstance.

#### **CONFIDENTIALITY**

In accordance with the Section 110 on "Code of Conduct" and Subsection 114 on "Confidentiality" in the Code of Ethics for Professional Accountants and the Indonesian Law No. 5 Year 2011 on "Public Accountants", IHU is required to maintain confidentiality of all information obtained from business and professional relations with the Company and its subsidiaries as stated in this engagement letter. The obligation for confidentiality survives after completion of the relation between IHU and the Group based on this engagement letter.

An Accountant must disclose confidential information only in the following circumstances, such as:

- Disclosures required by law
- Disclosures permitted by law and authorised by clients
- Professional duty or right to disclose, when not prohibited by the law:

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- To comply with the quality control reviews by professional associations;
- To respond to questions or inquiries by professional associations or regulatory bodies;
- To comply with professional and technical standards including code of ethics.

#### **PRESENTATION OF IHU'S REPORT OR REFERENCE TO IHU'S REPORT IN OTHER DOCUMENTS OR WEBSITES**

If the Group intends to issue or reproduce our report on the consolidated financial statement of the Company (Group) in other documents, or made reference to IHU in documents containing information other than those stated in the audited consolidated financial statement that associated IHU to such documents, the Group agrees that its management will provide drafts of the documents to IHU to be read for approval to be presented or to be incorporated by referencing our report, or made reference to IHU in such documents, prior to the printing and issuance of such documents.

The Group also agrees that its management will notify us and obtain our approval prior to uploading our report on websites.

In principle, making references to our report in certain documents is reproducing our report. The honorarium above does not include report reproduction.

#### **MISCELLANEOUS**

##### **Exclusivity of Engagement Letter with Other Public Accounting Firms and Public Accountants**

This engagement letter should meet the provisions as prescribed in Indonesian Law No. 5 Year 2011 on Public Accountants. Accordingly, there must not be other engagement letters to audit on the Group's consolidated financial statement and subsidiaries' financial statements as of 31 December 2020 and for the year then ended between the Company and other KAP and AP, except for the engagement letter between the Company and IHU and Irwanto S.E., Ak., CA, CPA, CRA, CPI, CLI.

##### **Limitation and Indemnification**

The Company agrees that IHU and its personnel will not be responsible to the Group for claims, obligations, or other costs in connection with this assignment ("**Claim**") for a sum exceeding the total cost paid by the Group to IHU for this assignment. In any case, IHU and its personnel will not be responsible for damages, losses, and/or consequential, special, indirect, punitive, or exemplary costs or expenses in connection with this assignment.

The Company agrees to indemnify and hold harmless IHU and its personnel from any claims resulting from misrepresentations by the management.

The Group agrees to compensate and hold harmless IHU and its personnel against any claims.

##### **Governing Law and Jurisdiction**

The provisions in this Engagement Letter are regulated by and interpreted in accordance with the laws of the Republic of Indonesia and any legal dispute will be resolved in local District Court.

##### **DISCLAIMER:**

This Document is a translation of an official document issued by the respective party. Every effort has been made to ensure that the contents of this document are identical, accurate, and faithful to that published in Bahasa Indonesia. If there are discrepancies between the Bahasa Indonesia and English document, the Bahasa Indonesia document shall prevail.



### Withdrawal

We may withdraw from this assignment by submitting a notification in writing (with due consideration to the nature and condition of the matter), if the matter, in our view and in accordance with the standards of our profession or other profession and other prevailing regulations and laws, is no longer conducive for us to continue this assignment. In this matter, we and the Company agree to waive the provisions of Article 1266 and Article 1267 of the Indonesian Civil Code. Prior to submitting our written statement of withdrawal, we will hold a discussion with the Group's management and TCWG.

In the event of a condition that results in our release and withdrawal from this assignment, the Group agrees that we are entitled to a fair compensation for our involvement in this assignment up to the termination of our services as stated in this engagement letter. We do not have any obligation arising from our withdrawal from this assignment, except if the release or withdrawal is caused by fraud, bad faith, or wilful error from our side.

### Force Majeure

1. In the event that a party is delayed, hindered or unable to perform its obligations under this Agreement due to force majeure, the party may not be deemed to have failed or to have been in default in performing its obligations.
2. Force majeure includes circumstances beyond control of both parties that are unforeseeable and uncontrollable, such as:
  - a. Natural disasters (earthquakes, landslides, and floods);
  - b. Fires;
  - c. Wars (declared or not), riots, rebellions, revolutions, and epidemics.

### CLOSING PROVISIONS AND ENTIRE AGREEMENT

This proposal may simultaneously function as the Engagement Letter which contains the entire agreement between the parties relevant to this assignment and supersedes any current or previous agreement between the parties, written and spoken, in connection with this assignment.

If the terms above are accepted and if the services described above are in accordance with the Company's construction, please sign the copy of this Engagement Letter in the space provided below and return to us.

Sincerely yours

Accepted and agreed

**KAP IRWANTO, HARY DAN USMAN**

**PT TERREGRA ASIA ENEGRY TBK.**

**(signed and stamped)**

**(signed and stamped)**

**Irwanto, S.E., Ak., CA, CPA, CRA, CPI, CLI**

Managing Partner

Name : DANIEL TEGU DEDO

Position : CFO

Date : 28/12/2021

### DISCLAIMER:

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