

Ref No:

Wakalah Agreement

THIS WAKALAH AGREEMENT is made on the day and year stated in **Section 1 of the Appendix,**

BETWEEN

Name: _____

Passport/ID Number: _____

Country of Passport/ID: _____

and includes his/her successors in title, heirs, personal representatives and permitted assigns (hereinafter referred to as the **“Investor”**)

AND

PT Sentosa Membangun Bangsa,
Rukan Puri Mansion Blok B no 7, Jl. Lingkar Luar Barat Raya,
Kembangan - Jakarta Barat 11610, Indonesia.
(hereinafter referred to as the **“Company”**).

Each Investor and Company may be referred to in this Agreement individually as a **“Party”** and collectively as the **“Parties.”**

WHEREAS, the Investor desires to appoint the Company as its Agent to represent the investor in a Mudharabah agreement with the Entrepreneur in the Project, as defined below, under the terms and conditions set forth in this Agreement; and

WHEREAS, the Company desires to represent the investor in a Mudharabah agreement with the Entrepreneur in the Project as defined below, under the terms and conditions set forth in this Agreement.

NOW IT IS HEREBY AGREED as follows:

1. DEFINITIONS

In this Agreement, the following words and expressions shall save where the context otherwise requires, have the following meanings:

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| Commitment Amount | : | The amount that the Investor has agreed to contribute to the Project as described in Section 4 of the Appendix ; |
| Company | : | PT Sentosa Membangun Bangsa; |
| Entrepreneur | : | Jasa Gramindo Berkah Madani (" Entrepreneur "); |
| Investor | : | Unless clearly stated in this Agreement, the word Investor shall refer to each of the investors or all of the investors, as the context may require; |
| Investor Group | : | A group of investors (including their respective successors in title and assigns and any successors), who agree to participate in the Project to provide the Commitment Amount based on agreed proportion amounts, and where any references to an "Investor" includes all investors in this group; |
| Mudharabah | : | A shariah-compliant partnership contract, whereby one party provides capital and the other party provides labour. |
| Mudharabah Profit | : | Gross Revenue less the costs (i.e. direct expenses) incurred by the Entrepreneur in the execution of the Project based on the following formula; Gross Revenue – (expenses + Investment Amount) = Mudharabah Profit. |
| Performance Incentive Fees | : | Fees charged by the Company from the gross Return On Investment for the Investor upon profit realisation as described in Section 5 of the appendix ; |
| Service Fees | : | Fees charged by the Company for organising the engagement of the Parties as described in Section 5 of the Appendix ; |

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| Project | : | Smartadeco as described in Section 2 of the Appendix ; |
| Project Milestones | : | The events in the Project, as identified by the Entrepreneur and described in Section 7 of the Appendix , which upon successful fulfilment will result in the successful completion of the Project; |
| Project Tenure | : | The total tenure of the Project as described in Section 8 of the Appendix , commencing from the date of the first disbursement of the Commitment Amount to the Entrepreneur. The Investor will be notified by email about the date of commencement. |
| Projected Gross Return | : | The total gross return projected on the Commitment Amount as described in Section 5 of the Appendix ; |
| SGD | : | Singapore Dollar; |
| IDR | : | Indonesian Rupiah; |
| Shariah-compliant | : | Adhering to the principles of Islamic Jurisprudence for financial transactions, specifically the Shariah Standards issued by Bahrain based Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI); |
| Wakalah | : | A Shariah-compliant agency agreement through which an agent is appointed by a principal to carry specific tasks with or without fees; |

2. THE WAKALAH

- 2.1. Under the Shariah principle of Wakalah, the Investor hereby irrevocably and unconditionally appoints the Company as its agent and the Company hereby accepts this appointment to represent the Investor in a Mudharabah agreement with the Entrepreneur in the Project via this Agreement, for the purpose of investing in the Project.
- 2.2. The Company shall exercise due diligence to the best of its expertise, knowledge and skills to ensure that all the transactions in the Mudharabah are Shariah-compliant.
- 2.3. The Commitment Amount by the Investor Group is as described in **Section 4 of the Appendix.**
- 2.4. The Company by virtue of this Wakalah Agreement shall be authorised by the Investor to hold the ownership of the assets and appoint any party it deems fit as an agent and a sub-agent for the purpose of finding buyers and selling the Investor's share in the partnership.
- 2.5. The fixed Wakalah fee of the Company is as described in **Section 5 of the Appendix.**
- 2.6. The Company charges service fees for facilitating the Mudharabah agreement between the Investor and the Entrepreneur, as described in **Section 5 of the Appendix.**
 - 2.6.1. This service fees will be charged upfront and will be considered as a cost for the Project, which will not reduce the capital contribution of the Investor Group in the Project.
- 2.7. A performance incentive fee from the Projected Gross Return (if any) on Commitment Amount will be charged by the Company as described in **Section 5 of the Appendix.** In the event that no returns are realised, the Company will not charge any incentive fee.
- 2.8. The Entrepreneur promises to forego a portion of the Entrepreneur's own profits realised from the project to grant Investors the higher projected return. However, this will only apply if:
 - 2.8.1. The project makes a profit; and

- 2.8.2. The Entrepreneur is not deprived of all profits as a result of this arrangement.
- 2.9. The Investor agrees to contribute to capital as described in **Section 9 of the Appendix.**
 - 2.9.1. In the case of loss, the Investor Group will bear all actual financial losses incurred or accrued by the Entrepreneur in connection with the Project, while the Entrepreneur would only fail to realize its expected profit (at no expense to the Investor) as well as forgo the energy and time it has invested in the Project.
 - 2.9.2. Notwithstanding the above, the Entrepreneur is liable for any loss attributed to gross negligence, misconduct or breach of contractual terms, representation or warranty, in which case it shall be liable for the amount of the Investment Amount
 - 2.9.3. The profit will be shared between the Investor Group and the Entrepreneur based on the Profit Sharing Ratio (PSR) as described in **Section 10 of the Appendix.**

3. RIGHTS AND RESPONSIBILITIES

- 3.1. The responsibilities of the Company are as follows:
 - 3.1.1. To do and execute all acts with respect to the Mudharabah Agreement with the Entrepreneur and to negotiate with the Entrepreneur on behalf of the Investor in relation thereto, in line with the clauses mentioned in this Wakalah Agreement;
 - 3.1.2. To receive the Mudharabah Profit (if any) from the Entrepreneur and distribute to the Investor.
 - 3.1.3. To negotiate in good faith and in the best interests of the Investor Group, in a situation where the planned sale or negotiations related to this Project do not meet expectations of returns or the Projected Tenure.
 - 3.1.4. To monitor the Project and provide periodic reports, upon the request of the Investor, on the progress in relation to the Project Milestones as

defined in **Section 7 of the Appendix**, based on information provided to the Company by the Entrepreneur.

- 3.1.5. To facilitate and process contracts with the Investor Group and provide other services related to managing the investment process and attending to the investor needs.
- 3.2. The Company shall not be obliged to extend services except for the responsibilities specified above. As such, the Company will not be liable for any loss of capital or profit in any circumstances, including in the event the project delays or fails.
- 3.3. The Investor shall not be obliged to agree to any request from the Company if the Investor believes that the request is in contravention of any law, policy, rules or regulations.
- 3.4. Except for the specific purposes of this appointment and as expressed in the Agreement, this appointment shall not create or be deemed to create any other form of partnership or joint venture between the Investor and the Company.
- 3.5. No failure to exercise, nor any delay in exercising, on the part of the Company, any right or remedy under the Agreement shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies under the Agreement are cumulative and not exclusive of any rights or remedies provided by law.

4. REPRESENTATIONS AND WARRANTIES

- 4.1. The Parties represent and warrant to each of the other parties to this Agreement that:
 - 4.1.1. they each have the power to enter into, exercise their rights, perform and comply with their respective obligations under this Agreement;
 - 4.1.2. all actions, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) in order to enable

each of the respective Parties to lawfully enter into, exercise its rights, perform and comply with its respective obligations under this Agreement have been taken, fulfilled and done;

4.1.3. each of their respective obligations under this Agreement is valid, binding and enforceable in accordance with their respective terms;

4.1.4. the execution, delivery and performance of this Agreement by the Parties and the matters contemplated hereby will not violate the provisions of:

a. any law or any rule made pursuant to any law of agency, or any order of any court and that all requirements of any such law or order have been fully complied with and satisfied; and

b. any contract or other undertaking or instrument to which each Party is a party or which is binding upon the said Party;

4.2. The Company represents and warrants to the Investor that:

4.2.1. It is duly incorporated and validly existing under the laws of Indonesia as a legal entity and has full power and authority to own its assets and carry on its business as is now being carried on;

4.2.2. It has the power to enter into, exercise its rights, perform and comply with its respective obligations under this Agreement;

4.2.3. The fulfilment of the responsibilities does not violate or conflict with any applicable law or regulation, any provision of its constitutional documents, order or judgement of any court applicable to it, or any contractual restriction binding on it;

4.3. The Investor shall indemnify and hold the Company harmless from and against any and all taxes, claims, losses, liabilities, obligations, damages, deficiencies, judgments, actions, suits, proceedings, arbitration, assessment, costs and expenses (including, without limitation, expenses of investigation and enforcement of this indemnity and attorneys' fees and expenses) suffered or paid by the Investor, directly, or indirectly, as a result of or relating to or in respect of any misrepresentation of the matters or breach of any representation or warranty given by the Investor in this Agreement.

- 4.4. All or any portion of the Investor's rights, interest and obligations under this Agreement may be transferred and assigned to the nominee(s) by filling up the nominee's details in **Section 12 of the Appendix**.
- 4.5. The Agreement contains the entire understanding between the Parties relating to the transactions contemplated by the Agreement and shall supersede any prior expressions of intent or understandings with respect to the said transaction. All prior or contemporaneous agreements, understandings, representations and statements, oral and written, are merged in the Agreement and shall be of no further force or effect.
- 4.6. The Agreement may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of the Agreement.
- 4.7. The Investor agrees to waive any profit above the Projected Gross Profit Return on Investment (ROI) as specified in **Section 5 of the Appendix**.
 - 4.7.1. The waived amount will be used as an incentive fee for the Entrepreneur.
- 4.8. The Investor agrees to keep all information relating to the Agreement confidential, and not disclose it to anyone, save with the prior written consent of the Company or as required by any applicable laws or regulations.
- 4.9. The Agreement is intended to be Shariah-compliant. The parties hereby agree and acknowledge that their respective rights and obligations under the Agreement are intended to, and shall, be in conformity with Shariah principles.
- 4.10. Notwithstanding the above, each party represents to the other that it shall not raise any objections or claims against the other on the basis of Shariah-compliance or any breach of Shariah principles in respect of or otherwise in relation to any part of any provision of the Agreement.
- 4.11. Each of the above representations and warranties shall survive the signing and delivery of this Agreement and the Parties shall be deemed to represent and warrant to each of the other parties that the representations and warranties set out in this Section are true and correct in all respects.

5. TERMINATION

- 5.1. The appointment of the Company herein shall cease upon the transfer of the Investor's portion of the profit actualized in the project to the Investor Group, or upon sending a written notice to the email address of the Investor in other circumstances that may be specified in the notice, and that shall serve as sufficient notice.
- 5.2. No provision of the Agreement may be amended, waived, discharged or terminated orally nor may any breach of or default under any of the provisions of the Agreement be waived or discharged orally but (in each case) only by an instrument in writing signed by or on behalf of the Parties. Any amendments or variations to the Agreement shall be Shariah-compliant.

6. GOVERNING LAW:

- 6.1. This Agreement shall be governed by and interpreted in accordance with the laws of Indonesia, and the parties irrevocably agree to:
 - 6.1.1. submit to the non-exclusive jurisdiction of the Courts in Indonesia;
 - 6.1.2. waive any objections on the suitability of venue, jurisdiction or any similar grounds; and
 - 6.1.3. consent to the service of the legal process in any manner permitted by this Agreement.
- 6.2. If at any time any one or more of the provisions hereof is or becomes illegal, invalid or unenforceable under Indonesian law, neither the legality, validity or enforceability of the remaining provisions hereof nor the legality, validity or enforceability of such provisions under the laws of any other jurisdiction shall in any way be affected or impaired thereby.
- 6.3. If any provision of the Agreement (or part of it) or the application thereof to any person or circumstance shall be illegal, invalid or unenforceable to any extent, it must be interpreted as narrowly as necessary to allow it to be enforceable or valid and the remainder of the Agreement and the legality, validity or enforceability of such provisions to other persons or circumstances shall not be in any way affected or impaired thereby and shall be enforceable / enforced to the greatest extent permitted by law.

7. MISCELLANEOUS

- 7.1. **Events of Default:** An Event of Default is deemed to have occurred in any of the following circumstances, whether or not arising due to the fault of the Entrepreneur;
- 7.1.1. Any representation or warranty given or made by the Entrepreneur proves to be untrue, incorrect or inaccurate in any material respect; or
 - 7.1.2. Any step is taken for the winding-up, liquidation or dissolution of the Entrepreneur.
 - 7.1.3. Upon the occurrence of any Event of Default, the Investor shall have the right by notice to the Entrepreneur to declare the entire proportion of the capital invested and the actualised profit if any to become immediately due and payable.
- 7.2. **Communication:** Any communication to be made under or in connection with the Agreement shall be made in writing and may be made by electronic mail, through the Company at [Maryam@Ethis.co] or at such other address as the Company may notify the Investor from time to time. Any communication made between the Company and the Investor under or in connection with the Agreement shall be made to the address or electronic mail address provided to the Company or its registered address, in the case of the Entrepreneur, and shall be effective when received.
- 7.3. **Refund Policy:**
- 7.3.1. The Commitment Amount cannot be claimed back once it is received by the Company until the maturity of the Project.
 - 7.3.2. Where the right to refund is applicable, the Investor agrees to bear all transaction costs and losses due to currency exchange rate fluctuations.
- 7.4. **Business Risks and Financial Loss:** The Investor acknowledges and agrees that the investment in the Project through the Company is accompanied by all business risks associated with a venture or project of such nature. Accordingly:
- 7.4.1. There is no assurance or guarantee given by the Company or any director of the Company, its affiliates (the “**Ethis Group**”) or any other

person that the Company will obtain the Sale Proceeds in the amount projected or anticipated or any amount of revenue or profit whatsoever from the Project;

7.4.2. Investment in the Project comes with a risk of a substantial or total loss, and there is no assurance or guarantee given by the Ethis Group or any other person that the Investor will be able to receive or recover any amount invested under this Agreement or any profit projected by the Company.

7.4.3. In accordance with the Shariah principle of Mudharabah, all actual financial losses incurred or accrued by the mudharibin in connection with the Project shall be borne solely by the Investor (the capital provider) and shall lead to a depletion of the value of the Investment Amount, while the Entrepreneur would only fail to realize its expected profit (at no expense to the Investor) as well as forgo the energy and time it has invested in the Project. However, if the loss is due to the Entrepreneur's gross negligence or there has been any breach of representation or warranty given by the Entrepreneur, or that party has acted in contrary with the terms of the venture which causes loss to the venture, that party shall be liable for the amount of the Commitment Amount. If there is a profit available, the same shall be distributed according to the pre-agreed Profit Sharing Ratio.

7.5. **Currency of the Investment:** The Project is located as specified in **Section 2 of the Appendix** and the currency used in the calculation of the capital contribution of the Mudharabah, the Profit Sharing Ratio and any projected return on investment thereof will be in the Indonesian Rupiah (IDR), the local currency where the Project is located. This is to determine the contribution ratio of both the Investors and the Entrepreneur as this will make the calculation of profit based on the determined PSR more accurate.

7.6. **Joint Investment:** The Investor may include one additional Investor to invest under this Agreement jointly:

7.6.1. This Clause on joint investment shall be applicable only to those Investors who invest jointly under this Agreement as specified in **Section 11 of the Appendix.**

7.6.1.1. The right to make a joint investment is considered exercised by filling the details of the additional Investor under this Agreement.

7.6.2. Each of the Investors hereby appoints the other Investor and the other Investor accepts the appointment to act as the agent of the one another. The appointment shall continue until the termination of this Agreement.

7.6.3. Unless otherwise stated, the terms under this Agreement shall be applicable to each Investor Jointly and severally.

7.6.4. Each Investor's contribution to the Commitment Amount shall be agreed upon among the Investors.

7.6.5. Each Investor shall be entitled to the profits of the investment proportionate to his/her respective contribution therein.

7.6.6. The Entrepreneur shall not be liable for the distribution of the profit among Investors.

7.6.7. Each Investor shall act as the agent of the other, and the actions of one Investor shall be representative of both Investors and binding on both Investors.

7.6.7.1. In pursuance to this clause, the signature of either Investor shall amount to an acceptance of both Investors.

7.6.8. Each Investor shall indemnify the Entrepreneur against any claims that might arise directly or indirectly as a result of the joint investment arrangement.

7.7. **Nomination:** All or any portion of the Investor's rights, interest and obligations under this Agreement may be transferred and assigned to the nominee(s) designated by the Investor in accordance to the terms of this Agreement.

7.7.1. The assignment shall be effective only upon the occurrence of one of the following:

7.7.1.1. The Investor's written notice via an email; or

7.7.1.2. The Investor's death.

7.7.2. The Investor hereby grants the Company permission to communicate with the Nominee, if the Investor is unreachable for more than one (1) month.

7.7.3. In the event of the Investor's death, the Nominee is hereby authorized to receive all amounts due from the Project.

7.7.4. Investors who profess the religion of Islam hereby acknowledge that Muslims are bound by religion to distribute their estate in accordance to the Islamic law of inheritance and shall take that into consideration for the purpose of this clause.

7.7.5. In the event of the death of only one of the Investors of jointly investment agreement, the payouts shall be transferred to the surviving Investor. In the event of the death of both Investors, the payouts shall be transferred to the Nominee.

7.7.6. The Investor may from time to time revoke any such nomination and/or to name another nominee with written notification via email duly received and registered by the Company. Other than revocation via written notice, subsequent nomination and death of nominee during the lifetime of the Investor, a nomination shall not be revoked.

n Witness Whereof the Parties hereto have hereunto set their seal and hands the day and year first above written.

For the Company

Name: Resi Petty Aradia
Designation: Director
PT Sentosa Membangun Bangsa

For the Investor

Name: _____
Passport/ID No: _____

APPENDIX

(which shall be read, taken and construed as an essential part of this Agreement)

| Section | Matter | Particulars |
|---------|------------------------|---|
| 1. | Date of this Agreement | <p>_____</p> <p>This Agreement shall be effective from this date until such time the Agreement is terminated in accordance with the terms and conditions of this Agreement.</p> |
| 2. | Project | <p>The Project's title is Gramindo, located in Indonesia.</p> <p>Gramindo is a service Cooperative with a savings, loans and compensation unit offering Grameen-based micro financing specifically for groups of women running Shariah observant businesses.</p> <p>Gramindo uses Gayatri Microfinance platform as the Gramindo delivery channel for this business which focuses Gramindo's efforts to improve the community's standard of living via financial assistance to become a Madani community or a community of excellence.</p> <p>The Head Office is in Jakarta while the operational financing unit is in Yogyakarta. Running since 2018, Gramindo through the use of Financial Technology is now poised for better transaction speed, transparency and work effectiveness in line with the current millennial era.</p> <p>The Project is to enter into a Mudharabah partnership with Gramindo.</p> |
| 3. | Purpose | <p>To finance the Entrepreneur with necessary funds to allow financing of 1000 women in the Gramindo Group.</p> <p>The Entrepreneur will extend the funds to the women based on Mudharabah Muqayyadah contract. The Entrepreneur will do certain scoring, disbursement, collection and reporting</p> |

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| 4. | Commitment Amount | <p>The Investor will contribute IDR _____ equivalent to SGD _____ to the project in the Mudharabah. The amount in IDR represents the share of the Investor individually in the Mudharabah.</p> <p>The currency is converted to IDR to determine the contribution ratio of both the Investors and the Entrepreneur as this will make the calculation of profit based on the determined PSR more accurate.</p> |
| 5. | Projected Gross Return | <p>The Projected Gross Return on Investment would be determined by the following:</p> <ul style="list-style-type: none"> a. The Projected Gross Return on Investment is ____%. b. The PSR is constant for all Investors. However, the profit cap for each type of Investors is different. c. The Company will charge a performance incentive fee of ____ % of the Projected Gross Return (if any) on Investment. In the event that no returns are realised, the Company will not charge any incentive fee. d. The Company will charge a fixed fee of SGD 1.00 (One Singaporean Dollar) for the Wakalah services. e. The Company charges 6.8% of the Commitment Amount as service fees. <ul style="list-style-type: none"> - The services fees are an expense of the Project and will not reduce the capital contribution amount of the Investor in the Project. Thus, the Projected ROI will also be unaffected by this expense. |
| 6. | Projected Net On Return Investment (ROI) | <p>The Net ROI for the Investor under this Agreement is calculated by the Projected Gross Return on Investment under clause “a” of section 5 of this Appendix minus the performance incentive fee under clause “c” of section 5 of this Appendix.</p> |

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| 7. | Project Milestones | <p>These are the Project Milestones to be achieved, as set by the Entrepreneur:</p> <ul style="list-style-type: none"> a. Extending funds to a number of women based on Mudharabah Muqayyadah contract. b. Scoring c. Disbursement d. Collection e. Reporting |
| 8. | Project Tenure | <p>6-7 months, commencing from the date of the first disbursement of the Commitment Amount to the Entrepreneur. The Investor Group will be notified by email about the date of commencement.</p> |
| 9. | Capital | <p>Total Capital Amount of the Project is IDR 3,196,261,682.</p> |
| 10. | Profit-Sharing Ratio (PSR) | <p>The Company hereby agrees to share the Mudharabah Profit with the Investor Group, depending on the actual amount of Mudharabah Profit received by the Company, as follows:</p> <p>Investor Group: 30% The Entrepreneur: 70%</p> <p>The total amount of Mudharabah Profit shared with the Investor Group is capped at 7% ROI in the Mudharabah. Any amount exceeding this will solely belong to the Entrepreneur.</p> |
| 11. | Joint Investment Option | <p>Jointly with (if applicable)</p> <p>Name: _____</p> <p>Passport/ID No: _____</p> <p>Country of Passport/ID: _____</p> |
| 12. | Nominee | <p>Name: _____</p> <p>Passport/ID No: _____</p> <p>Contact No: _____</p> |

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| | | <p>Relationship: _____</p> <p>The Investor hereby authorises the Company to transfer the payouts entitled under the Agreement (if any) to the Nominee in the event of the death of the Investor in accordance with the terms and conditions of this Agreement.</p> <p>The Company is duly discharged from all liabilities upon payment of the entitled payouts (if any) to the Nominee.</p> |
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