

Ref No: \_\_\_\_\_

## Wakalah Agreement

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

BETWEEN

Name: \_\_\_\_\_

Passport Number: \_\_\_\_\_

Country of Passport: \_\_\_\_\_

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

AND

PT Ethis Modal Indonesia,  
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 purchase and sell the Assets in the Project, as defined below, under the terms and conditions set forth in this Agreement; and

**WHEREAS**, the Company desires to purchase and sell the Assets in the Project, as defined below, on behalf of the Investor 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:

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 Investment Amount based on agreed proportion amounts, and where any references to an “Investor” includes all investors in this group;
Developer	:	PT Titan Abadi Pratama (“ <b>Developer</b> ”);
Project	:	Subsidised housing project as described in <b>Section 2 of the Appendix</b> ;
Assets	:	Housing units to be constructed and purchased as described in <b>Section 3 of the Appendix</b> ;
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;
Istisna	:	A shariah-compliant sale contract, whereby a buyer (or a group of buyers) requests a manufacturer to make a particular good according to particular specifications;
Murabahah	:	A shariah-compliant sale contract, whereby the seller sells the goods as per the purchasing price/cost with a defined and agreed profit mark-up;

Wa'd	:	A unilateral promise given by one party informing another of its resolute intention (undertaking) to act in the future in the interest of the other;	
Investment Amount	:	The amount that the Investor has agreed to invest in the Project as described in <b>Section 4 of the Appendix</b> ;	
SGD	:	Singapore Dollar;	
IDR	:	Indonesian Rupiah;	
Projected Return	Gross	:	The total gross return projected on Investment Amount as described in <b>Section 5 of the Appendix</b> ;
Lead Investors	:	Investors who invested SGD 20,000 or more in the Project;	
Exclusive Investors	Lead	:	Investors who invested SGD 50,000 or more in the Project;
Project Milestones	:	The events in the Project, as identified by the Developer and described in <b>Section 6 of the Appendix</b> , which upon successful fulfilment will result in the successful completion of the Project;	
Project Tenure	:	The total tenure of the Project as described in <b>Section 7 of the Appendix</b> , commencing from the date of the first disbursement of the Investment Amount to the Developer. The Investor will be notified by email about the date of commencement.	

## 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 the Project via this Agreement, for the purpose of financing the construction and acquisition of the Assets in the Project.
- 2.2. Under the Shariah principle of Istisna, the Company will sign a construction Contract with the Developer on behalf of the Investor Group for this purpose.
- 2.3. The Investment Amount by the Investor Group is as described in **Section 4 of the Appendix.**
- 2.4. After completion of construction, the ownership of the Assets will be held by the Company on behalf of the Investor Group. The Company will then appoint the Developer as an agent to sell the Assets based on the Shariah principle of Murabahah and disburse the agreed amount of profit from the sale to the Investor Group.
- 2.5. Under the Shariah principle of Wakalah, the Company will then appoint the Developer as its agent to:
  - 2.5.1. Find end buyers for the Assets and to do/ execute all preliminary acts with respect to the finalization of the sale of the Assets to the end buyers via the bank chosen by the end buyer.
  - 2.5.2. To sell the units to the end buyers on behalf of the Company and the Investor Group.
  - 2.5.3. To transfer the sale proceeds to the Company, in order to disburse to the Investor Group.
- 2.6. The Agency fee to the Developer will be as described in **Section 8 of the Appendix.**
- 2.7. A performance incentive fee of 12.5% from the Projected Gross Return (if any) on Investment 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 fee.

### 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 purchase of the Assets from the Developer through purchase agreements, certificates and other instruments and to negotiate with the Developer on behalf of the Investor in relation thereto, in line with the clauses mentioned in this Wakalah Agreement;
  - 3.1.2. To transfer the Asset Purchase Price from the Project Account to facilitate the purchase of the Asset;
  - 3.1.3. To appoint the Developer to execute the Murabahah Sale of Assets (including all related legal documents) on behalf of the Investor Group;
  - 3.1.4. To receive the Asset Sale Price from the Bank via the Project Account ; and
  - 3.1.5. To distribute the Profit from the Murabahah sale (including compensation, if any) to the Investor.
  - 3.1.6. 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.
  - 3.1.7. To monitor the Project and provide periodic reports on the progress in relation to the Project Milestones as defined in **Section 6 of the Appendix**, based on information provided to the Company by the Developer.
  - 3.1.8. To facilitate and process contracts with 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, joint venture or agency between the Investor and the Company.
- 3.5. No failure to exercise, nor any delay in exercising, on the part of the Investor, 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 are 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 or any guideline or other requirements of any agency, department or relevant authority (whether or not having the force of law) or any order of

any court and that all requirements of any such law, guidelines, requirements 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 or other agency of government applicable to it, or any contractual restriction binding on it;

4.2.4. No Event of Default has occurred or would reasonably be expected in its duties in carrying out the project;

4.3. Each Party shall indemnify and hold other Party 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 that other Party, 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 other Party in this Agreement.

4.4. All rights and obligations in the Agreement are personal to the Parties and each Party in the Agreement may not assign and/or transfer any such rights and obligations to any third party without the prior consent in writing of the Parties.

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. Each Party agrees to keep all information relating to the Agreement confidential, and not disclose it to anyone, save with the prior written consent of the other Parties or as required by any applicable laws or regulations.
- 4.8. 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.
- 4.9. 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.
- 4.10. 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 payment from the proceeds of sales of all units to the Investor Group upon completion of the Project, or as mutually agreed in other circumstances.
- 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 Singapore, and the parties irrevocably agree to:
  - 6.1.1. submit to the non-exclusive jurisdiction of the Courts in Singapore;
  - 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 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 Singaporean 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. **Costs & Expenses:** All costs and expenses including legal fees, stamp duty, incidental fees, financing costs or other charges incurred and other related expenses shall be borne by the Developer.
- 7.2. **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 Developer;
  - 7.2.1. Any representation or warranty given or made by the Developer proves to be untrue, incorrect or inaccurate in any material respect; or

- 7.2.2. Any step is taken for the winding up, liquidation or dissolution of the Developer.
- 7.2.3. Upon the occurrence of any Event of Default, the Investor shall have the right by notice to the Developer to declare the entire proportion of the Istisna investment to become immediately due and payable.
- 7.3. **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@Ethiscrowd.com] 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 Developer, and shall be effective when received.
- 7.4. **Refund Policy:** The Investment Amount cannot be claimed back once it is received by the Company, until the maturity of the Project.
- 7.5. **Currency Depreciation Risk Mitigation:** The currency depreciation risk mitigation strategy is described in **Section 8 of the Appendix.**
- 7.6. **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:
- 7.6.1. There is no assurance or guarantee given by the Company, 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;
- 7.6.2. Investment in the Project comes with a risk of 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.

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

**For the Company**

**For the Investor**

\_\_\_\_\_  
Name: Ronald Wijaya  
Designation: Director  
PT Ethis Modal Indonesia

Name: \_\_\_\_\_

Passport/ID No: \_\_\_\_\_

Digitally agreed on date: \_\_\_\_\_

*(No signature required)*

SAMPLE

## 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 is a Subsidised Housing Project named Griya Pali Subsidized Housing, located in Pali, Palembang, South Sumatra.</p>
3.	Assets	<p>Construction of <b>49 subsidised housing units</b> in the Project. The purchase price of each unit is agreed upon at <b>SGD 6,747</b>.</p> <p>Once the houses are constructed, the ownership of the houses will be held by the Company on behalf of the Investor Group.</p> <p>The Company will then appoint the Developer as an agent to sell the Assets based on the Shariah principle of Murabahah and disburse the agreed amount of profit from the sale to the Investor Group.</p>
4.	Investment Amount	<p>The Investor will contribute SGD _____ to the project.</p> <p>The total Investment Contribution by the Investor Group would be <b>SGD 330,614</b>, which is the total purchase price of the Assets in the Project. This forms the total aggregate Investment Amount raised by the Investor Group for the Project.</p> <p>The Investment Amount will be disbursed to the Developer on progress basis to finance the construction and purchase of the Assets.</p>

5.	<b>Projected Gross Return</b>	<p>The Projected Gross Return on Investment would be determined by the following:</p> <ol style="list-style-type: none"> <li>a. In the first step, the Company, on behalf of the Investor Group, will purchase the Assets from the Developer at the price of <b>SGD 330,614</b> (SGD 6,747 per unit for 49 units).</li> <li>b. In the second step, the Developer as an agent of the Company will sell the housing units to the end buyers at <b>SGD 609,686.06</b> (SGD 12,442.57 per unit).</li> <li>c. The Developer would charge an agency fee of <b>41.43%</b> of total selling price.</li> <li>d. The Projected Gross Return on Investment post payment of the Developer Agency Fee is <b>8%</b>.</li> <li>e. A Hibah of an amount equivalent to <b>1%</b> of the investment amount would be given to the Lead Investors by the Developer, signed in a separate Wa'd letter.</li> <li>f. A Hibah of an amount equivalent to <b>2%</b> of the investment amount would be given to the Exclusive Lead Investors by the Developer, signed in a separate Wa'd letter.</li> <li>g. A performance incentive fee of <b>12.5%</b> of the Projected Gross Return (if any) on Investment will be charged by the Company. In the event that no returns are realised, the Company will not charge any fee.</li> </ol>
6.	<b>Project Milestones</b>	<p>These are the Project Milestones to be achieved, as set by the Developer:</p> <ol style="list-style-type: none"> <li>a. Foundation development</li> <li>b. Concrete wall construction</li> <li>c. Roof tiling and finalisation work</li> </ol>
7.	<b>Project Tenure</b>	<p>9 to 10 months commencing from the date of the first disbursement of the Investment Contribution Amount to the Developer. The Investor Group will be notified by email about the date of commencement.</p>

8.	<b>Currency Depreciation Risk Mitigation</b>	<p>The Developer has structured a mitigation measure to cover losses of up to <b>5%</b> of the Investor's capital from any depreciation of the Indonesian Rupiah (IDR) against the Singapore Dollar (SGD) during the Project Tenure. A separate wa'd letter will be signed by the Developer to exercise the mitigation coverage based on the following:</p> <ol style="list-style-type: none"> <li>a. The currency depreciation coverage takes place by converting the capital amount (IDR) to SGD after project maturity, based on the SGD:IDR rate that the investor has invested in.</li> <li>b. The coverage only covers the capital amount and no profit is covered, i.e. profit will be converted to SGD based on the FX rate on the payout date and not the date of investment.</li> <li>c. The coverage only applies if there is a profit. No coverage will be imposed in the event of a loss of capital in the primary currency of the project (IDR).</li> <li>d. The coverage does not lead to a capital guarantee of any kind whatsoever. i.e. the investor will not be guaranteed a full capital return should there be a loss of capital in the project.</li> <li>e. The coverage will only apply should there be a depreciation of Indonesian Rupiah (IDR) against SGD, at a cap of 5%. If there is an appreciation of IDR or no change in exchange rates, the investor will receive both capital and any profit based on the exchange rate of the payout date.</li> </ol>
9.	<b>Developer Agency Fee</b>	<p>The Agency fee to the Developer for selling the Assets will be <b>41.43%</b> of Asset Sale Price. See more in <b>Section 5</b>.</p>