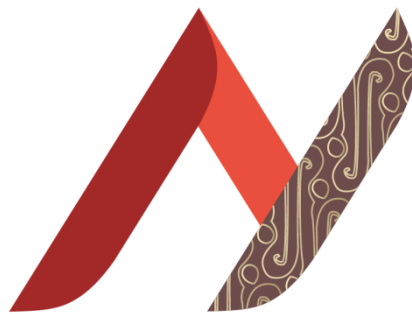


This document is a work product developed by Makes & Partners Law Firm ("**Makes**") as part of "A Kit of Standard Startup Agreements" ("**Aksara Nusantara**") documents, taking into account various external and internal sources on the Startup fundraising documents. This document will be updated from time to time following any inputs that we receive. You can download the update in www.makeslaw.com.

No information provided in this document, which is part of the Aksara Nusantara should be construed as legal advice (including for any fact or scenario described in such document or any assumptions made in relation to such document). This document and the terms herein are intended to serve as a starting point only and should be tailored to meet your specific legal and commercial requirements. Additional documents may be required for your transaction. Makes does not take any responsibility for the contents of this model document. Please obtain legal, tax and other professional advice accordingly.

This document is developed by taking into consideration the general nature of early stage startup investments in Indonesia. It should not be construed as how Makes' positions itself on various matters mentioned herein in any transactions that are handled by Makes.

For queries and comments please contact us at tanyaaksara@makeslaw.com.



AKSARA NUSANTARA

A KIT OF STANDARD STARTUPS AGREEMENTS

[•]

CONVERTIBLE NOTE AGREEMENT

between

THE INVESTOR

(as defined herein)

and

THE FOUNDERS

(as defined herein)

and

PT [•]

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THIS CONVERTIBLE NOTE AGREEMENT ("**Agreement**") is entered into on [●] 2019 by and between:

- (1) The person whose name and address are set out in Part 1 of Schedule 1 (the "**Investor**");
- (2) The persons whose names and addresses are set out in Part 2 of Schedule 1 (Particulars of the Investor and the Founders) (together the "**Founders**" and each a "**Founder**"); and
- (3) PT [●], a company incorporated under the laws of the Republic of Indonesia, with its registered address at [●] (the "**Company**")

(collectively, the "**Parties**" and each, a "**Party**").

RECITALS:

- (A) The Company is a limited liability company duly incorporated and existing under and by virtue of the laws of the Republic of Indonesia.
- (B) In consideration of the mutual covenants and agreements contained in this Agreement, the Company has agreed to, amongst others, issue to the Investor, and the Investor has agreed to subscribe for, certain Note (as defined below) of the Company, which shall be convertible into equity in the Company in certain events, with the terms and conditions as set out in this Agreement.

IT IS AGREED as follows:

1. DEFINITION AND INTERPRETATIONS

- 1.1 In addition to terms defined elsewhere in this Agreement, the definitions and other provisions in Schedule 5 (Definition and Interpretation) apply throughout this Agreement, unless the contrary intention appears.
- 1.2 In this Agreement, unless the contrary intention appears, a reference to a clause, subclause or schedule is a reference to a clause, subclause or schedule of or to this Agreement. The schedules form part of this Agreement.
- 1.3 The headings in this Agreement do not affect its interpretation.

2. ISSUE AND SUBSCRIPTION OF THE NOTES

- 2.1 The Company hereby agrees to issue, and the Investor agrees to pay and subscribe for, a convertible note ("**Note**") in the total principal amount of IDR[●] ([●] Indonesian Rupiah)¹ ("**Principal Amount**") on the the terms and conditions set out in this Agreement.
- 2.2 The Company hereby undertakes to pay to the Principal Amount, together with interest thereon from the Issuance Date, following the receipt of demand by the Investor in accordance with this Clause. Interest shall accrue at the Interest Rate. Unless earlier converted into Conversion Note Shares pursuant to Clause 6, the Principal Amount and accrued interest shall be due and payable on demand by the Investor at any time after the Maturity Date.
- 2.3 On the date of this Agreement the Company shall deliver to the Investor the Note Certificate in respect of the Note (substantially in the form as set out in Schedule 3) representing the principal amount of the Note, duly executed and authenticated by the authorized party of the Company pursuant to its Articles.

¹ Based on the applicable Bank Indonesia Regulation, if a company obtain a foreign currency loan, such company shall receive a minimum credit rating of BB- from the rating agency acknowledged by Bank Indonesia, prior to the obtainment of such loan. As such it is advisable to get the loan in IDR instead of USD.

3. RATES, AMOUNTS AND CAPS

- 3.1 The interest rate is [●]% per annum (based on a 365-day year) ("**Interest Rate**").
- 3.2 The discounted rate is [●]% of the per Share price paid by the subscribers (other than the Investor) in the Subsequent Equity Financing ("**Discounted Rate**").
- 3.3 The maturity date is [●] ("**Maturity Date**").
- 3.4 The maturity price is [●] per Share ("**Maturity Price**").
- 3.5 The minimum equity raise is [IDR/USD] [●] ("**Minimum Equity Raise**").
- 3.6 Liquidation preference cap is [●]x ("**Liquidation Preference Cap**").

4. CONVERSION EVENTS

4.1 Equity Financing

- 4.1.1 If a Subsequent Equity Financing transpires before the termination of this Agreement pursuant to Clause 6, upon the closing of Subsequent Equity Financing, the Principal Amount of this Note will automatically convert into such number of Shares at the Discounted Rate ("**Conversion Note Shares**").
- 4.1.2 No later than 7 (seven) days prior to the closing of Subsequent Equity Financing, the Company shall notify the Investor in writing of the terms under which the Preferred Shares of the Company will be issued under Subsequent Equity Financing. The issuance of the Conversion Note Shares shall be upon and subject to the same or substantially the same terms and conditions applicable to Preferred Shares contemplated in the Subsequent Equity Financing.
- 4.1.3 Notwithstanding Clause 4.1.1 and 4.1.2 above, at any time, if the Investor elects so, all or any portion of the Principal Amount of this Note, shall be converted into the Conversion Note Shares as the lower of (i) Valuation Cap; or (ii) the Last Round Price.

4.2 Liquidity Event

If a Liquidity Event transpires before the termination of this Agreement pursuant to Clause 6, Investor will automatically be entitled to receive a portion of the Event Proceeds, due and payable to the Investor immediately prior to, or concurrent with, the consummation of such Liquidity Event, equal to the greater of:

- 4.2.1 (price per share equal to the fair market value of the Ordinary Shares at the time of the Liquidity Event, as determined by reference to the purchase price payable in connection with such Liquidity Event) *multiplied by* (the Principal Amount divided by the Liquidity Price) (the "**Conversion Amount**"); or
- 4.2.2 the Principal Amount *multiplied by* the Liquidation Preference Cap (the "**Cash-Out Amount**").

4.3 Liquidity Preference

- 4.3.1 In a Liquidity Event, the Investor's rights to receive its Cash-Out Amount (as the case may be) is:
 - (i) junior to payment of outstanding indebtedness and creditor claims, including contractual claims for payment and convertible promissory notes (to the extent such convertible promissory notes are not actually or notionally converted into Shares);

- (ii) on par with payments for other Notes and/or Preference Shares, and if the applicable Event Proceeds are insufficient to permit full payments to the Investor and such other Notes and/or Preference Shares, the applicable Event Proceeds will be distributed pro rata to the Investor and such other Notes and/or Preference Shares in proportion to the full payments that would otherwise be due; and
- (iii) senior to payments for Ordinary Shares.

4.3.2 The Investor's right to receive its Conversion Amount is:

- (i) on par with payments for Ordinary Shares and other Notes and/or Preference Shares who are also receiving Conversion Amounts or Event Proceeds on a similar as-converted to Ordinary Shares basis; and
- (ii) junior to payments described in Clauses 4.3.1(i) and 4.3.1(ii) above (in the latter case, to the extent such payments are Cash-Out Amounts or Principal Amount).

4.4 Maturity Conversion

The Investor may at any time on or after the Maturity Date elect to require the Company to automatically issue to the Investor such number of Ordinary Shares equal to the Principal Amount divided by the Maturity Price upon the Investor giving the Company at least 7 (seven) days' prior notice in writing of such election.

5. TERMS OF CONVERSION

5.1 No Fractional Shares

Upon the conversion of this Note into Conversion Note Shares, instead of any fractional shares to which the Investor would otherwise be entitled, the Company shall pay the Investor cash equal to such fraction.

5.2 Mechanics Conversion

As promptly as practicable after the conversion of this Note, the Company at its expense will issue and deliver to the Investor, upon surrender of this Note, share certificate(s) dated evidencing Investor ownership of the new shares. Conversion of this Note may be made simultaneously upon the closing of the Subsequent Equity Financing.

6. TERMINATION

6.1 This Agreement and Note will automatically terminate (without relieving either the Company or the Investor of any obligations arising from a prior breach of or non-compliance with this Note) upon either:

- 6.1.1 the issuance of Shares to the Investor pursuant to Clause 4.1, Clause 4.2 (where applicable) or Clause 4.4; or
- 6.1.2 the payment, or setting aside for payment, of amounts due the Investor pursuant to Clause 4.2 (where applicable).

6.2 The Parties hereby waive the applicability of the second and third paragraph of Article 1266 of the Indonesian Civil Code to the extent it stipulates that a court decision is required for the termination of this Agreement.

7. REPRESENTATION, WARRANTIES AND UNDERTAKINGS

7.1 The Founders and Company make the representations and warranties set out in Part A of Schedule 4 to the Investor.

- 7.2 The Investor make the representations and warranties set out in Part B of Schedule 4 to the Founder and Company.
- 7.3 The Founders and Company, jointly and severally, hereby irrevocably and unconditionally undertakes to the Investor the following:
- 7.3.1 The Founders and Company will maintain the Company's register of Noteholders and provide the Investor with the certified true copy of the latest version of such register from time to time;
- 7.3.2 The Company shall provide all draft documents in connection with the subsequent financing (including equity financing) of the Company for the Investor's approval prior to executing the same;
- 7.3.3 The Company shall not issue any instruments with terms and conditions more preferable to the terms and conditions of the Note;
- 7.3.4 The Founders and Company shall notify the Investor as soon as practicable (and in any event within 5 (five) Business Days) upon discovery of any facts or circumstances that could give rise to a claim to the Company;
- 7.3.5 The Company shall submit the offshore borrowing report to Bank Indonesia in accordance with the prevailing laws and regulations.

8. DISPUTE RESOLUTION

- 8.1 The Parties agree to use all reasonable efforts to attempt to resolve all disputes arising hereunder promptly, equitably and in good faith.

8.2 [OPTION 1: COURT]

[In the event the Parties are unable to resolve any dispute(s) arising in connection with this Agreement within 30 (thirty) days from the date such a dispute was raised by a Party and communicated to the other Party (or Parties) (or any other period mutually agreed between the relevant Parties), the dispute shall be resolved by District Court of [•].]

[OPTION 2: ARBITRATION]

[In the event the Parties are unable to resolve any dispute(s) arising in connection with this Agreement within 30 (thirty) days from the date such a dispute was raised by a Party and communicated to the other Party (or Parties) (or any other period mutually agreed between the relevant Parties), the dispute shall be referred to and finally resolved by arbitration in [Indonesia] through [Indonesian National Arbitration Agency whose, on the signing date of this Agreement, address is at Wahana Graha, Lantai 1 dan Lantai 2, Jl. Mampang Prapatan No. 2, Jakarta 12760 (Badan Arbitrase Nasional Indonesia or "BANI")] and in accordance with the prevailing Arbitration Rules and Procedures of [BANI and Law No. 30 of 1999 on Arbitration and Alternative Dispute Resolution] for the time being in force, which rules are deemed to be incorporated by reference in this Clause.

The Parties agree not to submit an objection or repudiation, in whatsoever form, on without limitation the competency, validity, enforceability, authority and/or decision of [BANI], particularly without limitation on the dispute process involving [BANI] with the other arbitration agency and will act in good faith in resolving the dispute through [BANI] as agreed in this Clause as the appointed arbitration agency and in implementing the decision rendered by [BANI].]

9. NOTICES

- 9.1 Any notices shall be made in English and given by email, registered airmail or courier (return receipt requested), or by delivery in person addressed as follows:

9.1.1 If to the Company:

Company

Address: [●]

Attention: [●]

Email: [●]

9.1.2 if to the investor, at the address or e-mail address set out against its name in Part 1 of Schedule 1; or

9.1.3 if to any Founder, at the address or e-mail address set out against his name in Part 2 of Schedule 1.

9.2 Or such other address as may be designated in writing by a Party in accordance with the foregoing.

9.3 In proving the giving of a notice, it shall be sufficient to show:

9.3.1 in the case of any delivery by courier, that the notice or other document was duly delivered, as evidenced by a receipt;

9.3.2 in the case of delivery by electronic mail, the sender's receipt of an automated message confirming delivery, or for the elapse of four (4) hours after the time the electronic mail is sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered, whichever happens first; or

9.3.3 in the case of delivery by properly addressed, pre-paid registered airmail, the elapse of 5 (five) Business Days after the day the airmail is sent.

9.4 For evidentiary purposes, in the case of delivery by electronic mail, the Party serving the notice shall use reasonable endeavours to serve a copy by courier within 7 (seven) Business Days of the service of such notice by electronic mail. The non-delivery of the hardcopies shall not invalidate the delivery by electronic mail under this Clause 9.

10. MISCELLANEOUS

10.1 Severability

If any provision of this Agreement or part thereof is rendered void, illegal or unenforceable by any legislation or law to which it is subject, it shall be rendered void, illegal or unenforceable to that extent and it shall in no way affect or prejudice the enforceability of the remainder of such provision or the other provisions of this Agreement.

10.2 No partnership

Nothing contained in this Agreement shall constitute or be deemed to constitute a partnership between the Parties and no Party shall have any authority to bind the others in any way.

10.3 **Waiver**

No delay or failure by any Party to exercise or enforce at any time any right or provision of this Agreement shall be considered a waiver thereof, unless made in writing. No single waiver shall constitute a continuing or subsequent waiver. A breach of or default under this Agreement is not waived by any failure or delay in exercising or partial exercise of any right, power, authority, discretion or remedy under this Agreement.

10.4 **Assignment**

Save as otherwise provided herein, the benefits and obligations of a Party are personal to that Party and shall not be capable of being assigned, delegated, transferred or otherwise disposed of save with the prior written consent of the other Parties, consent of which shall be at the sole discretion of the other Parties.

10.5 **Costs and expenses**

All costs, expenses and fees incurred in connection with the negotiation, preparation and execution of this Agreement, including their respective legal counsel's costs, shall be borne by each Party respectively.

10.6 **Entire agreement**

This Agreement shall constitute the entire agreement between the Parties in relation to the subject matter hereof. This Agreement shall supersede all prior negotiations, agreements, arrangements, commitments and understanding relating to the subject matter hereof.

10.7 **Amendments and variation**

No amendments or variation of this Agreement shall be valid or effective unless made in writing and signed by each of the Parties.

10.8 **Counterparts**

This Agreement may be signed by any number of counterparts and all such counterparts taken together are to be deemed to constitute one and the same instrument. Each counterpart may be signed and executed by the Parties and transmitted by electronic mail transmission and shall be as valid and effective as if executed as an original.

10.9 **Successors and assigns**

This Agreement shall be binding on and shall endure for the benefit of the respective heirs, personal representatives, successors-in-title and permitted assigns of each of the Parties.

10.10 **Further assurances**

The Parties hereto recognise that it is impracticable to make provisions for every contingency that may arise in the course of performance of the provisions hereof and accordingly declare their intention that this Agreement shall operate between them with fairness and without detriment to the interest of any Party and covenant and agree with each other that they shall do, execute and deliver or procure to be done, executed and delivered all such further acts, deeds, things and/or documents as may be necessary for the complete performance of their duties and obligations under this Agreement or otherwise to implement fully and to give full effect to the terms of this Agreement in the spirit in which it was agreed.

10.11 **Survival**

Clauses 9 and 10 of this Agreement (excluding Clause 10.11) shall survive the termination or early termination of this Agreement.

10.12 **Remedies**

No remedy conferred by any of the provisions of this Agreement is intended to be exclusive of any other remedy which is otherwise available at law, and each and every other remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law. The election of any one or more of such remedies by any of the Parties shall not constitute a waiver by such Party of the right to pursue any other available remedies.

10.13 **Governing Law**

The validity, construction, interpretation, enforcement, and the rights of the Parties hereunder shall be determined under, governed by and construed in accordance with the laws of Republic of Indonesia.

10.14 **Confidentiality**

10.14.1 Each of the Parties shall (and shall procure that its advisers and any of its related companies or Affiliates, shall) not make any announcement or disclose any information to third parties concerning the transactions contemplated under this Agreement or the Shareholders' Agreement (as may be amended and restated from time to time) and the confidential information relating to the business of the Company ("**Confidential Information**") save, in each case, where:

- (i) the Parties mutually agree in writing to make such announcement or disclosure and the announcement is in a form agreed by the Parties; or
- (ii) the Confidential Information disclosed comprises only information set out in an announcement in a form agreed by the Parties; or
- (iii) the Confidential Information is required to be disclosed or announced by law, any court of competent jurisdiction, any competent regulatory body or the rules of any relevant stock exchange regulator, but if a Party is so required to make any announcement or to disclose any confidential information, the relevant Parties shall promptly notify the other Parties in writing, where practicable and lawful to do so, before the announcement is made or disclosure occurs (as the case may be) and shall co-operate with the other Parties regarding the timing and content of such announcement or disclosure (as the case may be) or any action which the other Parties may reasonably elect to take to challenge the validity of such requirement.

10.14.2 Nothing in this Clause prevents any Confidential Information being disclosed to the extent:

- (i) required to enable any Party to enforce its rights under this Agreement [or the Shareholders' Agreement (as may be amended and restated from time to time)] or for the purpose of any judicial proceedings;
- (ii) that the information is disclosed on a strictly confidential basis by a person to its professional advisers, auditors, bankers, or its direct or indirect limited partners, or shareholders;
- (iii) that the information is disclosed by any of the Parties on a strictly confidential and need to know basis to any of its related companies or Affiliates;
- (iv) that the information is in or comes into the public domain otherwise than as a consequence of a breach by the relevant Party of its obligations under this Clause; or
- (v) that the information is required to be disclosed by law or court process or regulation, including the rules of any relevant stock exchange regulators.

10.15 **[Language]**

- 10.15.1** This Agreement is executed in English language. In compliance with the Law of the Republic of Indonesia No. 24 of 2009 on Flag, Language, National Emblem, and National Anthem (“Law 24”), the Parties agree to execute the Indonesian language text of this Agreement no later than 45 (forty five) days from the date of this Agreement and the Indonesian language agreement will be deemed to be effective from the date the English-language text is executed.
- 10.15.2** In the event of any inconsistency between the Indonesian-language text and the English-language text of this Agreement, or should there be any dispute on the meaning or interpretation of certain provisions of this Agreement, the Parties hereby agree that the English-language text shall prevail, and the Indonesian-language text will be deemed to be amended to conform with and to make the relevant Indonesian-language text consistent with the relevant English-language text.
- 10.15.3** No Party will (nor will it allow or assist any Party to) challenge the validity of, or raise or file any objection to, this Agreement or the transactions contemplated herein in any manner or forum in any jurisdiction on the basis of any failure to comply with Law 24 or any of its implementing regulations when issued.]

SCHEDULE 1

Particulars of the Investor and the Founders

**Part 1
The Investor**

Name	Address and Notice Details
[●], [an individual, holder of [Indonesian Identification Card/Passport] No. [●]] / [a company incorporated under the laws of the [●]]	Address: [●] E-mail address: [●]

**Part 2
The Founders**

Name	Address and Notice Details
[●], [an individual, holder of [Indonesian Identification Card/Passport] No. [●]]	Address: [●] E-mail address: [●]
[●], [an individual, holder of [Indonesian Identification Card/Passport] No. [●]]	Address: [●] E-mail address: [●]

SCHEDULE 2

Particulars of the Company

1. THE COMPANY

Company name: [•]

Principal office: [•]

Business activities: [•]

Date and place of establishment and Minister of Law and Human Rights approval date for such establishment: [•]

Management structure:

Board of Directors

President Director – [•]

Director – [•]

Board of Commissioners

President Commissioner – [•]

Commissioner – [•]

Financial year end:

[31 December]

Authorised share capital:

[•] shares with the total nominal value of IDR[•]

Issued shares (including identity of shareholders and number of shares): [•]

SCHEDULE 3

Form of Note Certificate

Certificate Number: [●]

CONVERTIBLE NOTE

PT [NAME OF THE COMPANY]
(Incorporated in the Republic of Indonesia)

Principal Office:
[address]
Fax No: [●]
Phone No. : [●]

PT **[Name of the Company]** (the "**Company**") hereby CERTIFIES that **[name of the Investor]** is, at the date hereof, entered in the Company's register of Noteholders as the holder of an Convertible Note (the "**Note**") in the principal amount of IDR [●]. Upon certain events as set out in the Convertible Note Agreement dated [●] ("**Convertible Note Agreement**"), the Company promises and undertakes to convert this Note into certain number of Shares in the Company, or, to fully pay this Note, in accordance with the terms and conditions of the Convertible Note Agreement.

PT **[Name of the Company]**²

By: _____
Name:
Title:

² Shall be signed by the Director of the Company that is authorized based on the Articles

SCHEDULE 4

Representation, Warranties and Undertakings

Part A The Founder and Company

The Company and each Founder, warrants and undertakes, to each other Party, in respect of itself only (and not in respect of any other Party), that as of the date of this Agreement and on the Closing Date:

1. that there is no provision in its articles of association (or similar constitutive document) and no provision in any existing mortgage, indenture or contract, that conflicts with or in any way prevents the execution, delivery or performance of the terms of this Agreement or other documents or agreements referred to herein in accordance with their respective terms;
2. such Party being a legal entity, has the full power and authority to enter into, execute and deliver this Agreement and to perform the transactions contemplated hereby and, as applicable, such Party is duly incorporated or organized and existing and is of current standing under the laws of the jurisdiction of its incorporation or organization;
3. the execution and delivery of this Agreement and the performance of the transactions contemplated hereby by such Party, being a legal entity, have been duly authorized by all necessary corporate or other action of such Party;
4. this Agreement constitutes the legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms;
5. it has obtained all necessary third-party approvals and consents required by it for it to perform the transactions contemplated by this Agreement;
6. there is no action, proceeding, claim or investigation pending against such Party before any court or administrative authority that if determined adversely to such Party may reasonably be expected to have a Material Adverse Effect on such Party's ability to perform its obligations hereunder; and
7. no Party makes any other warranties, express or implied, to the other Parties.

Part B The Investor

The Investor warrants to the Founders and the Company, that as of the date of this Agreement and on the Closing Date that the Investor being a legal entity, has the full power and authority to enter into, execute and deliver this Agreement and to perform the transactions contemplated hereby and the Investor is duly incorporated or organized and existing and is of current standing under the laws of the jurisdiction of its incorporation or organization.

SCHEDULE 5

Definition and Interpretation

1. In this Agreement, unless the context otherwise requires, the following expressions shall bear the following meanings:

"Affiliates" means, with respect to any Person, any other Person directly or indirectly Controlling, Controlled by or under common Control with such first Person;

"Applicable Laws and Requirements" means in respect of any person, any national, provincial, local, municipal or other prevailing laws, regulation, administrative decree, constitution, ordinance, decree, binding government policy, statute or treaty of the Republic of Indonesia (or any other country) or any Relevant Authorities (within or outside Indonesia) applicable to such person or any of such person's properties, necessary for the conduct of such person's business as it is now being conducted, and for consummation of the matters contemplated under this Agreement;

"Articles" means the articles of association of the Company, as may be amended from time to time by its shareholders pursuant to and in compliance with the Applicable Laws and Requirements;

"Bank Account" means, with respect to the Company, the bank account set forth in Schedule 3 hereof and, with respect to the Investor, a bank account with such details as notified by that Investor to the Company;

"Business Day" means any day, other than a Saturday, Sunday or public holiday on which banks located in Jakarta, Indonesia, and [●] are open for the purpose of conducting commercial banking business;

"Cash-Out Amount" has the meaning given in Clause 4.2.2 of this Agreement;

"Company" has the meaning given in the preamble of this Agreement;

"Confidential Information" has the meaning given in Clause 10.15.1 of this Agreement;

"Control" means the possession, directly or indirectly, of the ability to control the voting of more than 50% (fifty per cent) of the issued voting securities and/or rights in a Person (which will be conclusively presumed to exist if a Person holds, directly or indirectly, more than 50% (fifty per cent) of the issued voting securities in another Person) or possession, directly or indirectly, of the right to appoint or remove more than half of the members of the board of directors or board of commissioners or similar governing or management bodies of that Person and/or to direct the affairs (including policies) of the other Person, whether through the ownership of voting securities, by contract or otherwise (and the term **"Controlled by"**, **"Controlling"** and **"common Control"** shall be construed accordingly);

"Conversion Amount" has the meaning as set out in Clause 4.2.1 of this Agreement;

"Conversion Note Shares" has the meaning as set out in Clause 4.1.1 of this Agreement;

"Discounted Rate" has the meaning as set out in Clause 3.2 of this Agreement;

"Equity Securities" means (i) shares or other equity interests of the Company and (ii) options, warrants or other securities that are directly or indirectly convertible into, or exercisable or exchangeable for, shares or other equity interests of the Company;

"Event Proceeds" means means cash and other assets (including without limitation share consideration) that are proceeds from the Liquidity Event or the Dissolution Event, as applicable, and legally available for distribution;

"Founders" has the meaning as set out in the preamble of this Agreement;

“Fully Diluted Capitalization” means, in relation to the Company, the fully-diluted capitalization (assuming full conversion or exercise of all convertible and exercisable Equity Securities, including any employee share option plans (whether allocated or not) then outstanding other than this outstanding amount under this Agreement).

“Group” means the Company and each of the other Group Companies, taken as a whole;

“IDR” means Indonesian Rupiah, the lawful currency of the Republic of Indonesia;

“Interest Rate” has the meaning as set out in Clause 3.1 of this Agreement;

“Investor” has the meaning as set out in the preamble of this Agreement;

“Last Round Price” means the lowest price per share paid by the other subscribers of Equity Securities immediately prior to a conversion date, to the extent such equity financing is not a Subsequent Equity Financing;

“Law 24” has the meaning as set out in Clause 10.3.1 of this Agreement;

“Liquidity Event” means:

- (a) a transaction or series of related transactions in which a person or group of affiliated persons would become the holder, directly or indirectly, of more than 50% of the voting rights of all members of the Company or such other surviving or resulting entity (other than such persons holding, directly or indirectly, of more than 50% of the voting rights of all members of the Company at the time of this Agreement);
- (b) a liquidation, dissolution or winding up of any Group Company;
- (c) a consolidation, merger, scheme of arrangement or amalgamation of any Group Company with or into any other corporation or corporations or non-corporate business entity or any other corporate reorganisation, in which the shareholders of such Group Company immediately prior to such consolidation, merger or reorganisation, own less than a majority of the surviving or acquiring entity's voting power immediately after such consolidation, merger or reorganisation;
- (d) a sale, lease or disposition of all or substantially all of the assets of any Group Company; or

“Liquidation Preference Cap” has the meaning given in Clause 3.6 of this Agreement;

“Liquidity Price” means the price per share equal to the fair market value of the Ordinary Shares at the time of the Liquidity Event, as determined by reference to the purchase price payable in connection with such Liquidity Event, multiplied by the Discounted Rate;

“Long Stop Date” means the date that is [60 (sixty)] calendar days from the date of this Agreement or any later date as agreed by the Parties;

“Losses” means any losses, actions, proceedings, damages, liabilities (including Tax), claims, costs, expenses, fines, penalties, tax liabilities, expenses and other professional costs and expenses;

“Material Adverse Effect” means a material and adverse effect on the business, financial condition, prospects or results of operations of the Group taken as a whole, excluding any such effect arising out of:

- (a) the entry into, announcement or consummation of this Agreement or the transactions contemplated herein;

- (b) any matters requested by or consented in writing by all of the Subscribers in accordance with the Shareholders' Agreement; and
- (c) changes or conditions generally affecting the businesses the Group is involved in in Indonesia, except to the extent that such changes have an impact on the Group that is materially disproportionate to the effect on other companies operating in the same business the Group is involved in in Indonesia;

"Maturity Date" has the meaning given in Clause 3.3 of this Agreement;

"Minimum Equity Raise" has the meaning given in Clause 3.5 of this Agreement;

"Note" means the note issued by the Company to Investor under this Agreement;

"Ordinary Shares" means series A shares of the Company under the Articles carrying normal voting rights with a par value of IDR[●]per share and being subject to the restrictions set out in the Articles;

"Party" or **"Parties"** has the meaning given in the preamble of this Agreement;

"Person" means any individual, corporation, company, partnership, firm, voluntary association, joint venture, trust, unincorporated organisation, Relevant Authority or any other entity whether acting in an individual, fiduciary or other capacity;

"Preferred Shares" in relation to any person means any Shares of such person that has preferential rights to any other Ordinary Shares of such person with respect to dividends or redemptions or upon liquidation.

"Principal Amount" has the meaning given in Clause 2.1 of this Agreement;

"Relevant Authorities" includes any ministry, department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government and any non-government regulatory authority in the Republic of Indonesia or elsewhere and **"Relevant Authority"** means any one of them;

"Shares" means the issued and fully paid-up shares of the Company from time to time, comprising, as at the date of this Agreement, the Ordinary Shares;

"Subsequent Equity Financing" means the issuance of Equity Securities in a transaction or series of related transactions resulting in aggregate gross proceeds to the Company of at least equal to the Minimum Equity Raise excluding conversion of any existing convertible instruments and conversion of any other indebtedness of the Company into any Equity Securities;

"Transaction Documents" means this Agreement and any other documents that will be entered by the Parties to give the effect to this Agreement;

"USD" means United States Dollar, the lawful currency of the United States of America;

"Valuation Cap" means [USD/IDR] [●]³ divided by the Fully Diluted Capitalization immediately prior to a conversion;

2. In this Agreement, unless the context otherwise requires:

- 2.1 words denoting any gender shall include all genders and words denoting the singular shall include the plural and vice versa;
- 2.2 any part of speech or grammatical form or equivalent cognate expression of a word or phrase defined in this Agreement has a corresponding meaning;

³ This can be filled by the post-money valuation or certain valuation agreed between the Investor and the Vendor.

- 2.3 reference to any Recital, Clause or Schedule is to a Recital, Clause or Schedule of or to this Agreement;
- 2.4 the Recitals are included to provide the background to this Agreement only and in the event of a conflict between the provisions of the Recitals and the operative provisions of this Agreement, the operative provisions of this Agreement shall prevail;
- 2.5 the Schedules to this Agreement form an integral part of this Agreement and shall be taken, read and construed as an integral part of this Agreement;
- 2.6 reference to this Agreement includes the Schedules to this Agreement;
- 2.7 headings and under-linings are for convenience only and do not affect the interpretation of this Agreement and shall be ignored in construing this Agreement;
- 2.8 words denoting natural persons include any corporation or other body corporate or unincorporated, partnership, association, public authority, two or more persons having a joint or common interest, or any other legal or commercial entity or undertaking and vice versa (including the person's executors, administrators, successors, substitutes, transferees and permitted assigns);
- 2.9 reference to any agreement or document (including but not limited to this Agreement) includes a reference to such agreement or document as from time to time modified or varied in any manner or respect whatsoever and any other instruments or documents from time to time issued or executed supplemental thereto, in addition thereto or in substitution thereof whether before or after the date of this Agreement;
- 2.10 reference to any law, statute, regulation, proclamation, ordinance, order, decree or guidelines includes a reference to a law, statute, regulation, proclamation, ordinance, order, decree or guidelines as may from time to time be amended, modified, varied, consolidated, repealed or extended whether before or after the date of this Agreement and includes all by-laws, instruments, orders, rules and regulations made thereunder;
- 2.11 a reference to a Party includes that Party's successors, nominees, personal representatives and permitted assigns;
- 2.12 unless expressed otherwise, a warranty, representation, undertaking, indemnity, covenant or agreement on the part of two or more persons binds them severally;
- 2.13 reference to a time and date concerning the performance of any obligation by a Party is reference to the time and date in Jakarta, Indonesia, unless otherwise stated;
- 2.14 a day, month or year means a day, month or year, as the case may be, reckoned according to the Gregorian calendar;
- 2.15 where the day on or by which anything is to be performed falls on a day that is not a Business Day, that thing must be done on or by the next Business Day (as applicable);
- 2.16 a document in the "agreed form" is a reference to a document in a form approved and for the purposes of identification initialled by or on behalf of the Company and the Investor upon or before entry into this Agreement;
- 2.17 any agreement, notice, consent, approval, disclosure or communication under or pursuant to this Agreement must be in writing and any reference to "writing" or cognate expressions includes a reference to electronic mail or comparable means of communications;
- 2.18 the words "include", "includes" and "including" are not limiting and shall be deemed to be followed by the words "without limitation", whether or not so followed;

- 2.19 words denoting an obligation on a party to do an act, matter or thing includes an obligation to procure that it be done, and words placing a Party under a restriction, include an obligation not to do and not to permit an infringement of the restriction;
- 2.20 where a Warranty is qualified by the words “so far as the Company is aware” or any form of words with a similar meaning, then the Company shall be deemed to be aware of any fact, matter or circumstance in the actual knowledge of any of the Founders as at the date of this Agreement;
- 2.21 no rule of construction applies to the disadvantage of a Party because that Party was responsible for the preparation of this Agreement or any part of it; and
- 2.22 general words shall not be given a restrictive meaning because they are followed by words which are particular examples of the acts, matters or things covered by the general words.

DRAFT

IN WITNESS WHEREOF this Agreement has been entered into on the date stated at the beginning.

[Subscriber]

By: _____
Name:
Title:

DRAFT

PT [Name of the Company][●]

By: _____
Name:
Title:

DRAFT

[Founder]

By: _____
Name:

DRAFT