

**GANDA GROUP**  
**INDICATIVE SUMMARY PRINCIPAL TERMS AND CONDITIONS**  
**FOR DISCUSSION MATERIAL ONLY**  
**8 July 2015**

This summary of indicative terms and conditions (the "Term Sheet") is not meant to be, nor shall it be construed as, an attempt to define all of the terms and conditions of the described transaction. Rather, it is intended to outline certain basic points of business understanding upon which the financing contemplated herein would proceed. The terms and conditions set out in this Term Sheet are for discussion material purpose only and subject to satisfactory documentation and legal due diligence. The structure proposed herein has been formulated with a view to complying with what is believed to be the Borrower's requirements. However, no representation is made that the structure proposed is appropriate for the Borrower or its affiliated companies and the Borrower should seek its own legal and other professional advice as to the appropriateness of the structure and its impact on the Borrower or any of its subsidiaries or affiliates.

1. **Borrowers** : Together in a Joint and Several Basis Liabilities facility scheme

- a) PT. Wawasan Kebun Nusantara ("WKN");
- b) PT. Alam Jaya Persada ("AJP");
- c) PT. Graha Agro Nusantara ("GAN");
- d) PT. Sumatera Unggul Makmur ("SUM");
- e) PT. Putra Lirik Domas ("PLD"); and
- f) PT. Nusa Jaya Perkasa ("NJP");

Each will be defined as Borrower hereinafter and together as Borrowers

2. **Sponsor** : Mr. Ganda and his immediate Family

3. **Shareholder** : a) PT. Ganda Sawit Utama  
b) PT. Indigo Sawit Utama  
c) PT. Wahana Gemilang

4. **Lender** : PT. Bank OCBC NISP, Tbk ("OCBC NISP")

5. **Facility Type Purpose and Limit** : **Tranche A: Committed Term Loan Facility 1**  
This facility is provided for WKN, AJP, GAN, SUM and PLD to refinance their existing outstanding facility(ies) at Bank Central Asia. **Total limit is up to USD 32 Mn**, according to the outstanding report later provided by BCA, **whichever lower**. Applicable limit for each Borrower are as follows:

<u>Borrower</u>	<u>Limit</u>	<u>Borrower</u>	<u>Limit</u>
✓ WKN	USD 15 Mn	✓ SUM	USD 4 Mn
✓ AJP	USD 5 Mn	✓ PLD	USD 4 Mn
✓ GAN	USD 4 Mn		

▪ **Tranche B: Committed Term Loan Facility 2**  
This facility is provided for all Borrowers to refinance the shareholder loan and/or affiliated loan which previously used in plantation development of each respective Borrower. The priority is to refinance the affiliated loan. **Total limit is up to USD 45 Mn**. Applicable limit for each Borrower are as follows:

<u>Borrower</u>	<u>Limit</u>	<u>Borrower</u>	<u>Limit</u>
✓ WKN	USD 12.5 Mn	✓ SUM	USD 3 Mn
✓ AJP	USD 4 Mn	✓ PLD	USD 3.5 Mn
✓ GAN	USD 17 Mn	✓ NJP	USD 5 Mn

- **Tranche C: Committed Term Loan Facility 3**  
This facility is provided for all Borrowers to finance the plantation development of each respective Borrower. **Total limit is up to USD 20 Mn.** Applicable limit for each Borrower are as follows:

<u>Borrower</u>	<u>Limit</u>	<u>Borrower</u>	<u>Limit</u>
WKN	USD 2.5 Mn	SUM	USD 1 Mn
AJP	USD 2 Mn	PLD	USD 2 Mn
GAN	USD 11.5 Mn	NJP	USD 1 Mn

- **Tranche D: Committed Term Loan Facility 4**  
This facility is provided for WKN and AJP To finance the plantation development of CPO Mills of the respective Borrower. **Total limit is up to USD 15 Bn.** Applicable limit for each Borrower are as follows:

<u>Borrower</u>	<u>Limit</u>	<u>Borrower</u>	<u>Limit</u>
WKN	USD 7 Mn	AJP	USD 8 Mn

- **FX Forward Lines - 1**  
Omnibus FX Forward Lines with tenor up to 3 months. Limits available for all Borrowers. **Total notional limit is up to USD 1 Mn.**
- **FX Forward Lines - 2**  
Omnibus FX Forward Lines with tenor up to 1 week. **Applicable only for FX Settlement of Tranche A & B.** Limits available for all Borrowers. **Total notional limit is up to USD 32 Mn.**

6. **Final Maturity Date** : **Tranche A, B, C, and D**  
6 years + 2 years extension option

**FX Forward Lines - 1**  
1 year; with maximum tenor per settlement is 3 months

**FX Forward Lines - 2**  
2 months; with maximum tenor per settlement is 1 week

7. **Availability & Grace Period** : **Availability Period**  
a) 1 month for Tranche A  
b) 2 months for Tranche B  
c) 48 months for Tranche C  
d) 24 months for Tranche D

**Grace Period** : up to 48 months for all Tranches

Both Availability and Grace Period will commence since the date of Facility Agreement

8. **Repayment Profile \*)**

<u>Year</u>	<u>%</u>
1 <sup>st</sup> – 4 <sup>th</sup>	0%
5 <sup>th</sup>	10%
6 <sup>th</sup>	20%
7 <sup>th</sup>	20%
8 <sup>th</sup>	50%

9. **Fees & Interest Rate** : a) **Structuring Fee : 1.00% p.a.** against the Total Facility Amount of Tranche A, B, C, and D, payable 3 working days after the Signing Facility Agreement;
- b) **Commitment Fee : 0.75% p.a.** against the undrawn portion at the end of Availability Period of Tranche C and D, payable 3 working days after end of Quarter;
- c) **Extension Fee : 1% flat** against the outstanding amount of Tranche A, B, C, and D which will be extended; payable 3 working days after the extension date;
- d) **Interest Rate** : to be determined based on Combined Adjusted Leverage as below :

Combined Adj. Leverage [X]	Interest Rate Margin
[X] ≥ 3	3 Months Libor + 4.25% p.a
[X] < 3	3 Months Libor + 4.00% p.a

Interest Rate will be reviewed on Semi-Annual basis based on testing result of the Financial Covenant for the upcoming Interest Period

10. **Financial Covenant** : During the loan period, the Borrower should maintain the following Financial Covenants:
- a) **Maximum Combined Adjusted Leverage Ratio among the Borrowers :**
- (i) [3.75]x at 30 June 2016 until 31 December 2018
- (ii) [2.75]x at 30 June 2019 onwards
- To be tested Semi-Annually, starting based on Proforma Combined Financial Statement as of 30 June 2016.
- *Adj. Leverage Ratio = Adjusted Total Liabilities divided by Adjusted Tangible Network*
  - *Adj. Total Liabilities = Total Liabilities – Subordinated Loan from Related Parties*
  - *Adj. Tangible Network = (Network + Subordinated Loan from Related Parties) – Intangible Asset – Loan to related parties which is not for day to day business*
- b) **Minimum Combined Debt Service Coverage Ratio (“DSCR”) among the Borrowers at [1.10]x.** To be tested Semi-Annually, starting based on Proforma Combined Financial Statement as of 31 December 2019.
- *Debt Service Coverage Ratio = EBITDA divided by [Interest + Current Portion Long Term Debt].*
  - *EBITDA = Operating Profit/(Loss) + Depreciation + Amortization + other non-cash items in COGS and SGA only (+Gross Interest Expense, in a case where Gross Interest Expense is posted at the operating expense level).*
- c) **Maintain Positive Network at all time.** To be tested Semi-Annually, starting based on Proforma Combined Financial Statement as of 30 June 2016.
- d) **Maximum Combined Net Debt to EBITDA among the Borrowers at [4.00]x.** To be tested Annually, starting based on Proforma Combined Financial Statement as of 31 December 2019.

- *Net Debt = All Interest Bearing Debt less Cash Available*

e) **Minimum Security Coverage Ratio at 125% at all times.**

- *Security Coverage Ratio = Market Value of Securities based on Annual Appraisal Report divided by Loan Outstanding*

11. **Undertaking & Covenant** : Undertakings and covenants, including but not limited to :

- a) Standart affirmative covenant including but not limited to submission of :
  - (i) Quarterly In House Financial Statement, at the latest 90 days after the reporting period;
  - (ii) Semi-Annually Proforma Combined Financial Statement, prepared by an Auditor, at the latest 120 days after the reporting date;
  - (iii) Annual Audited Financial Statement, at the latest 180 days after the reporting period;
  - (iv) Quarterly Internal Operational Report, consist of : progress of land clearing compare to budget, progress of planting compare to budget, production report of FFB (in kg) and CPO (in Ton) and PKO (in Ton) compare to budget
  - (v) Annual Appraisal Report, at the latest by 30 September for the every respective year. Annual Appraisal should be performed by Lender's Approved List at the cost of Borrower.
  - (vi) Annual Budget Plan, at the latest by 30 March for every respective year;
- b) Existing **All shareholder and affiliated parties loans** stated in 31 March 2015 In House Financial Statement and future shareholder and affiliated loan **must be subordinated** except for shareholder and affiliated parties loans portion which will be refinanced using Tranche B. A subordination agreement will be duly signed by the Lender, the Borrower, and the Subordinated Party;
- c) During the loan period the Sponsor (Mr. Ganda) and its immediate family undertakes to maintain its current direct and indirect controlling ownership at the Borrower;
- d) No liquidation or merger or acquisition or joint venture without prior written consent from the Bank;
- e) No reduction in the Paid Up Capital without prior written consent from the Bank;
- f) No dividend payment without prior written consent from the Bank. For publicly listed company (Tbk.), submission of written notification to the Bank for the respective corporate action is considered to be sufficient;
- g) CPO Mills should be insured with adequate insurance coverage, including Banker's clause to the Lender;

- h) No change of business activities;
- i) No asset sale or rent or lease or by any other means transfer any borrower's assets except for normal business activity;
- j) No new or additional indebtedness from financial institution and no guarantee to other party without prior written consent from the Lender;
- k) No loan to other party and no advance payment to other party without prior written consent from the Lender, except for normal business activity;
- l) Not allowed to provide or pledge any collateral derived from borrower's assets without prior written consent from the Bank, except for collateral which has been informed to the Bank previously and provided prior to credit facility obtained from the Lender;
- m) Provide written notification in the event of changes in management structure
- n) To extend the validity period of SHGU No. 3/Seluas on behalf of WKN 6 months prior to the expiry date (31 December 2018)
- o) Comply with law (including Environmental Law), and tax

12.

Condition  
Precedent  
(One time  
fulfillment)

: Including but not limited to :

Applicable for All Tranche

- ✓ a) Execution of Facility Agreement; ✓
- ✓ b) Execution of Undertaking from PT. Ganda Sawit Utama and the Sponsor (Mr. Ganda); ✓
- P. Rorkun → c) Submission of Feasibility Study including the Budget Plan for the whole loan period, which is satisfactory to the Lender;

Applicable for Tranche C and D only

- a) Fulfillment of the Condition Subsequent point (a), (b), and (c)

13.

Condition  
Subsequent

: Including but not limited to :

- a) Release and discharge letter from BCA at the latest 10 working days after the utilization of Tranche A;
- b) Execution of the following security documents at the latest 30 working days after the utilization of Tranche A:
  - (i) Fiduciary over Account Receivable and Inventory of all the Borrowers
  - (ii) Cross Corporate Guarantee among the Borrowers;
  - (iii) Pledge of GAN and NJP shares;
  - (iv) Charge over the Bank Account with minimum balance of 1 month interest payment during the Grace Period and 1 months interest payment and 1 principal payment post Grace Period;
- c) Execution of the following security at the latest 90 working days after the utilization of Tranche A:
  - (i) Mortgage over 6.148 Ha plantation area including all the

infrastructure and CPO Mills under SHGU No. 70,71,72,73,74,75,76, 77, 78, 79, 80 on behalf of PT. Alam Jaya Persada;

- (ii) Mortgage over 13,356 Ha plantation area including all the infrastructure and CPO Mills under SHGU No. 1, 3 on behalf of PT. Wawasan Kebun Nusantara;
- (iii) Mortgage over 2.008 Ha plantation area including all the infrastructure under SHGU No. 5, 6, 7, 8, 9, 10 on behalf of PT. Putra Lirik Domas;
- (iv) Mortgage over 2.455 Ha plantation area including all the infrastructure under SHGU No. 12, 13 on behalf of PT. Sumatera Unggul Makmur;



d) Mortgage over 5,014 Ha plantation area including all the infrastructure of PT. Graha Agro Nusantara which currently still under process for the Certificate Issuance, at the latest by 30 June 2019;

e) Mortgage over 1.656 Ha plantation area including all the infrastructure under SHGU No. 51,52,53,54,55,56, 57, 58, 59, 60, 61, 62 on behalf of PT. Nusa Jaya Perkasa, at the latest by 31 December 2017;

f) Repayment of Affiliated and/or Shareholder Loan should be reflected in Financial Statement as of 30 September 2015;

g) Insure the CPO Mills with adequate insurance coverage and bankers clause to the Lender at the latest 1 month after the construction completion or by 31 January 2017 whichever is earlier;

14. **Drawdown Condition**

: **Applicable for All Tranche**

a) Submission of Utilization Request 3 working days prior to utilization date;

**Applicable for Tranche A**

a) Submission of Confirmation Letter from BCA regarding to (i) latest outstanding amount to be refinance; (ii) list of securities; (iii) security(s) will be released at the latest 10 working days post full payment of the outstanding;

b) Maximum utilization is at the same amount of last outstanding facility as per confirmation letter from BCA, if the outstanding facility is lower than the limit, the remaining limit is not allowable for drawdown;

**Applicable for Tranche B**

a) Submission of Statement Letter duly signed by Borrower's Director regarding the amount of Affiliated and/or Shareholder Loan which will be refinanced, financing proceeds to be transferred directly to the said Affiliated Party and/or Shareholder;

**Applicable for Tranche C** ✓

Utilization on Reimbursement Basis :

a) Minimum USD 100,000 for each utilization;

b) Maximum utilization is 70% against cost realization which has been

spent for plantation development excluding licensing cost, land acquisition cost, and any soft cost;

- c) Submission of invoice and proved of payment to contractor or supplier;
- d) Combined spending up to eqv. USD 100,000 is allowable to use recapitulation duly signed by Borrower's Director. However the Lender reserves the right to request the copy of invoice and proved of payment if required;

Utilization based on Budget Plan :

- a) Minimum USD 100,000 for each utilization;
- b) Yearly utilization shouldn't exceeding 70% of Yearly Budget Plan;
- c) Each utilization should be supported by self-financing portion in the form of cash placement available in Borrower Account;
- d) Submission of PO or Sales Contract or Working Contract or such related documents;
- e) Transfer to contractor or supplier account to be performed together between self-financing portion and bank financing portion;

#### **Applicable for Tranche D**

Utilization on Reimbursement Basis :

- a) Minimum USD 100,000 for each utilization;
- b) Maximum utilization is 70% against cost realization which has been spent for Mills construction excluding licensing cost, land acquisition cost, and any soft cost;
- e) Submission of copy invoice and proved of payment to contractor or supplier;
- f) Combined spending up to eqv. USD 100,000 is allowable to use recapitulation duly signed by Borrower's Director. However the Lender reserves the right to request the copy of invoice and proved of payment if required;

Utilization based on Budget Plan :

- a) Minimum USD 100,000 for each utilization;
- b) Yearly utilization shouldn't exceeding 70% of Yearly Budget Plan;
- c) Each utilization should be supported by self-financing portion in the form of cash placement available in Borrower Account;
- f) Transfer to contractor or supplier account to be performed together between self-financing portion and bank financing portion;
- g) Submission of PO or Sales Contract or Working Contract or such related documents;

15. **Securities** : Cross Collateral and Cross Default among the Borrowers for the following security(s) :

- a) Mortgage over 6.148 Ha plantation area including all the infrastructure and CPO Mills under SHGU No. 70,71,72,73,74,75,76, 77, 78, 79, 80 on behalf of PT. Alam Jaya Persada;
  - b) Mortgage over 1.656 Ha plantation area including all the infrastructure under SHGU No. 51,52,53,54,55,56, 57, 58, 59, 60, 61, 62 on behalf of PT. Nusa Jaya Perkasa;
  - c) Mortgage over 2.008 Ha plantation area including all the infrastructure under SHGU No. 5, 6, 7, 8, 9, 10 on behalf of PT. Putra Lirik Domas;
  - d) Mortgage over 2.455 Ha plantation area including all the infrastructure under SHGU No. 12, 13 on behalf of PT. Sumatera Unggul Makmur;
  - e) Mortgage over 13,356 Ha plantation area including all the infrastructure and CPO Mills under SHGU No. 1, 3 on behalf of PT. Wawasan Kebun Nusantara;
  - f) Mortgage over 5,014 Ha plantation area including all the infrastructure of PT. Graha Agro Nusantara which currently still under process for the Certificate Issuance ;
  - g) Fiduciary over Account Receivable and Inventory of all the Borrowers
  - h) Cross Corporate Guarantee and Cross Default among the Borrowers;
  - i) Pledge of GAN and NJP shares;
  - j) Charge over the Bank Account with minimum balance of 1 month interest payment during the Grace Period and 1 months interest payment and 1 principal payment post Grace Period;
  - k) Undertaking from PT. Ganda Sawit Utama and the Sponsor (Mr. Ganda) to :
    - (i) Cover all the cashflow shortage and cost overrun in the Borrower including but not limited to interest and principal payment to the Lender;
    - (ii) Ensure the Borrower will comply with all term and condition under the Facility Agreement
16. **Prepayment** : No Prepayment Penalty. Prepayment should be made on the in interest payment date
17. **Standard Legal Term** : Including but not limited to :
  - (i) To be signed before approved Lender approved public notary
  - (ii) Corporate Approval and spouse consent should be legalized by public notary
  - (iii) Letter of Undertaking should be completed with Spouse Consent and Corporate Approval
18. **Other Terms & Conditions** : Standard terms and conditions under Lender's internal Facility and Security Agreement