



Template letter of intent (commercial)

User notes

This is a simple document to outline the main *in principle* terms of a proposed commercial relationship. The document is not legally binding (other than the confidentiality, termination, and governing law provisions in part D).

Other than the statement that the document is not intended to be binding and part D, there is no suggested content included – the document is simply a *framework* for the parties to record the *in principle* commercial terms that have been agreed, prior to preparing a formal agreement.

Although the letter of intent is non-binding, it can create moral or ethical obligations that are difficult to back away from. It is therefore important not to over-promise, and to set out relevant assumptions.

This document does not include an exclusivity provision – either party is free to enter into negotiations, or contract, with third parties for a similar or competing relationship.

applicable law

This document is intended for use by companies domiciled in Southeast Asia. Because the laws in each Southeast Asian country are different, you may need to have the document reviewed by a local lawyer. We have suggested (as a placeholder) that the document be subject to Singapore law as this is the most common domicile of post-

funded tech companies in Southeast Asia, and Singapore is well respected as a jurisdiction.

using this template

The **User Notes**, this front page and the statements in the footer below (in red) are included to assist in the preparation of this document. They are for reference only – you should delete all of this front page and the statements in the footer from the final form of your document.

The use of [*square brackets*] around black text means that:

- ▲ the requested details need to be inserted
- ▲ there are different options for you to consider
- ▲ the item is optional and you need to consider whether to include it, based on the company's circumstances.

Before finalising your document, check for all square brackets to ensure you have considered the relevant option and ensure that all square brackets have been deleted.

If you delete any section, remember to cross reference check the document.

[On letterhead]

[Insert date]

[Insert addressee name]

[Insert full legal name and address]

By email: [Insert email address]

Dear [Insert name]

letter of intent relating to [insert subject]

I refer to recent discussions between [us/name of individuals] relating to [insert subject].

This letter of intent (**LOI**) summarises the agreed *in principle* terms of a proposed [insert brief overview of nature of proposed relationship]. This LOI is not legally binding except for the terms stated in part D. There will be no obligation related to the proposed [insert brief name of proposed relationship] until a binding formal agreement is signed by the parties.

part A - background (non-binding)

[insert brief description of each party].

[insert brief description of why the parties wish to work together].

part B - in-principle terms (non-binding)

[insert a high level description of what the parties have agreed/intend – this can be in bullet-point form].

[insert any assumption on which the high-level terms are based].

part C – next steps (non-binding)

[insert detailed next steps (this might include due diligence and conditions such as third party or regulatory approvals)] **OR** [The parties will continue to discuss in good faith and agree the more detailed arrangements on which they will work together, with a view to entering into a formal written agreement by [insert date]].

part D – legally binding terms

The contents, and existence, of this LOI, and all information disclosed by either party to the other in connection with this LOI, are confidential and may only be disclosed by the parties to their respective directors, advisers and employees on a *need to know* basis.

This LOI is governed by, and must be interpreted in accordance with, the laws of [*Singapore*]
Each party submits to the non-exclusive jurisdiction of the courts of [*Singapore*] in relation to
any dispute connected with this LOI.

Either party may terminate this LOI on [*no less than [insert period e.g. 30 days'] prior*] notice
to the other party [*at any time / if a formal agreement has not been entered into by [insert
date]*]. This part D will survive termination of this LOI.

confirmation

To confirm your agreement to this LOI, please sign and date below and return a copy to me.

Yours sincerely

[*insert name*]
for [*insert full legal name of first party*]

Confirmed on behalf of [*insert full legal name of other party*] by:

Signature

Name

Title

Date