

PRODUCT DISCLOSURE SHEET

Date : _____ (To be filled by Branches)

[Please read and understand this Product Disclosure Sheet together with the terms and conditions before you decide to apply or to accept the offer of Machinery and Equipment Financing-i (MAEF-i).]

1. What is the product about?

MAEF-i is a product that finances customer's purchase of agricultural and manufacturing machineries, equipment or utility vehicles that is used directly or indirectly for the production, processing, and marketing of agriculture or agro-based product.

2. What Shariah concept is applicable?

This product is based on the Shariah principle of Bai *Bithaman Ajil (BBA)* and *Murabahah*.

BBA refers to sale contract based on deferred payment at certain price. While, *Murabahah* refers to a sale and purchase of an asset where the acquisition cost and the mark-up are disclosed to the purchaser.

3. What is the benefit of this product?

The benefit of this product as per below:

Margin of Financing	Types of Machinery/ Equipment		Margin of Financing	
	¹ New		Maximum up to 90% from the cost of machinery/equipment.	
	² Used		Maximum up to 80% from the cost of machinery/equipment.	
Notes:				
¹ Refers to machinery and equipment registered and to be used for the first time or reconditioned machinery and equipment registered in Malaysia for the first time.				
² Refers to machinery or equipment that was previously registered and used in Malaysia. Maximum age of machinery or equipment is five (5) years.				
Financing Tenure	Maximum nine (9) years where age of machinery and equipment and financing period must not exceed nine (9) years.			
Rate 1. Subject to current changes 2. Profit rate is per annum and on monthly rest basis	Margin of Financing ≤ 50%		Margin of Financing > 50%	
	New : BFR+1.0% up to BFR+ 2.5 %		New : BFR+1.5% up to BFR+3.0 %	
	Used □ : BFR+2.0% up to BFR+3.5%		Used : BFR+2.5% up to BFR+4.0 %	
<u>Ceiling Profit Rate (CPR)</u> BFR+4% p.a. or 10% p.a., whichever is higher for selling price calculation.				
<u>Effective Profit Rate (EPR)</u> At current rate and not exceeding the charged ceiling profit rate and calculated at monthly rest.				

Note: Current Base Financing Rate (BFR) is 7.00% and will be determined by Agrobank from time to time.

4. What are my obligations?

Make payment based on sale price (total amount payable inclusive profit)

5. Do I need to make advance payment?

You are required to pay the differences between Purchase Price and Financing Amount as an advance payment for the purchasing of machinery or equipment.

6. What are the fees and charges that I have to pay?

Type of Fees & Charges	Details of Fees & Charges
JPJ Registration Charges (if applicable)	As per JPJ charges
Stamping Fees	As per the Stamp Duty Act 1949 (Revised 1989).
Legal & Disbursement Fees	Include solicitor's fees for financing documentation, registration of charge, land search and bankruptcy search and others related charges. (if applicable)
Takaful Contribution	Based on sum covered and entitlement of Non Claim Discount (NCD).

Note :

- The Bank will notify at least 21 days' notice before any changes made to the fees and charges.
- Please be informed that effective 1 April 2015, Goods and Services Tax ("GST") of 6% will be imposed on fees and charges (where applicable) for products and services offered by Agrobank.

7. What happens if I fail to fulfill the obligations as required?

- The Bank shall have the right to impose and claim for *Ta'widh* from the Customer on the Bank's loss due to the Customer's default/failure in the instalment payment, balance of the Sale price or any other payment payable by the Customer to the Bank is calculated from the date the payment becomes due until settlement based on the following guidelines issued by Bank Negara Malaysia referring to the resolution of Shariah Advisory Council of Bank Negara Malaysia as follows:
 - i. Before maturity date, *Ta'widh* shall be imposed on the overdue amount at the rate of one per centum (1%) per annum to be calculated on a daily basis.
 - ii. Upon maturity date, *Ta'widh* shall be imposed at the prevailing Islamic Interbank Money Market (IIMM) rate on the principal balance as fixed by the Bank from time to time based on the guidelines issued by Bank Negara Malaysia referring to the resolution of Shariah Advisory Council of Bank Negara Malaysia .
- Legal action will be taken if you fail to respond to reminder notices and your machinery or equipment may be repossessed. You will have to bear all the costs incurred. You are also responsible to settle any shortfall after the machinery or equipment is auctioned off.

8. What if I fully settle the financing before its maturity?

Rebate (*Ibra*) shall be granted to you based on the formula set out below, in the event of any of the following scenarios (but not limited to):-

- i. Early settlement or early redemption or prepayments;
- ii. Settlement of the financing due to restructuring exercise;
- iii. Settlement by the Customer in the case of default whereby even though the Customer is in default, the Customer makes full settlement of the indebtedness under the financing before maturity date;
- iv. Settlement by the Customer in the event of termination or cancellation of financing before maturity date.

Rebate (Ibra') will be calculated based on the following formula:

$$Ibra' \text{ at Early Settlement} = \text{Deferred Profit} - \text{Early Settlement Charges}$$
$$\text{Settlement Amount} = \text{Outstanding Selling Price} + \text{Instalments Due} + \text{Late Payment Charges (if any)} - Ibra'$$

9. Do I need any Takaful coverage?

Yes:

- a) All Risk Takaful for machinery or equipment in the event of accident or theft, and
- b) Customer is compulsory to take skim Takaful Kredit to secure the indebtedness amount under the financing. However, customers are allowed to choose non-panel takaful provider. The takaful protection plan is necessary to cover your outstanding financing and / or term of coverage in the event of any unfortunate circumstances.

10. What are the major risks?

If customer fails to settle the outstanding amount, Bank has the right to take the ownership of the machinery, equipment or project site (land) which have been charged together with any additional collateral (land) and/or to auction the ownership of the machinery, equipment or to take legal action against the customer and/or guarantor if the customer fails to settle the outstanding amount of financing.

11. Do I need a guarantor or collateral?

Yes, a guarantor or collateral that is acceptable by the Bank is required subject to Bank's current policy.

12. What should I do if there are changes to my contact details?

It is important that you inform us of any change in your contact details to ensure that all correspondences reach you in a timely manner. To update your contact details, please contact:

•Tel : 1-300-88-2476 • Fax: 603-2691 7790 • E-mail : customer@agrobank.com.my

13. Where can I get assistance and redress?

- If you have difficulties in making payments, you should contact us earliest possible to discuss payment alternatives. You may contact us at:
Agrobank, Bangunan Agrobank, Leboh Pasar Besar, Peti Surat 10815, 50726 Kuala Lumpur.
• Tel: 1-300-88-2476 • Fax: 603-2691 7790 • E-mail : customer@agrobank.com.my
- Alternatively, you may seek the services of Agensi Kaunseling dan Pengurusan Kredit (AKPK), an agency established by Bank Negara Malaysia to provide free services on money management, credit counselling and debt restructuring for individuals. You can contact AKPK at:
Tingkat 8, Maju Junction Mall, 1001, Jalan Sultan Ismail, 50250 Kuala Lumpur.
•Tel: 1-800-22-2575 •E-mail : enquiry@akpk.org.my
- If you have any complaint on the products or services provided by us, you may contact us at:
Agrobank, Client Relationship Management, Bangunan Agrobank, Leboh Pasar Besar, Peti Surat 10815, 50726 Kuala Lumpur.
• Tel: 1-300-88-2476 • Fax: 603-2691 7790 • E-mail : customer@agrobank.com.my
- If your query or complaint is not satisfactorily resolved by us, you may contact Bank Negara Malaysia LINK or TELELINK at:
Block D, Bank Negara Malaysia, Jalan Dato' Onn, 50480 Kuala Lumpur.
•Tel: 1-300-88-5465 •Fax: 603-2174 1515 •E-mail : bnmtelelink@bnm.gov.my

14. Where can I get further information?

For further information or any enquiries, please visit any nearby Agrobank branches or kindly contact us at:
Bangunan Agrobank, Leboh Pasar Besar, Peti Surat 10815, 50726 Kuala Lumpur.

- Tel: 1-300-88-2476 • Fax: 603-2691 7790 • E-mail: customer@agrobank.com.my

15. If customers are interested with this product, what other product/program that may be preferred / relevant to the customers?

Nil.

OTHER INFORMATION

- The information provided in this Product Disclosure Sheet is valid as at date hereof.
- Customer is advised to carefully consider all risk factors before deciding to apply for the financing.

IMPORTANT NOTE:

LEGAL ACTION MAY BE TAKEN AGAINST YOU AND THE BANK MAY TAKE POSSESSION OF YOUR MACHINERY OR EQUIPMENT IF YOU FAIL TO SERVICE YOUR MAEF-i FINANCING PAYMENT AS PER AGREEMENT.

Disclaimer:

The terms and conditions indicated in this Product Disclosure Sheet are tentative / indicative only and not binding on the Bank. The final Terms and conditions are as stipulated in the Letter of Offer and Facility Agreement after credit assessment and financing approval.

The Personal Data Protection Act 2010 came into effect on 15 November 2013. Please visit our nearest branch or website www.agrobank.com.my if you have any enquiries.

I / We hereby accept and understand the contents of the above Product Disclosure Sheet as explanation given to me / us.

Signature	:	
Name	:	
NRIC	:	
Date	:	