

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 *Pembiayaan Tanaman Semula Kelapa Sawit (SAWIT-i)*.]

1. What is the product about?

SAWIT-i is a financing facility for smallholders who are involved in small-scale oil palm plantation for:

- a) Re-planting; or
- b) Expansion of the Existing Plantation

2. What Shariah concept is applicable?

A *tawarruq* consists of two sale and purchase contracts. The first involves the sale of an asset by a seller to a purchaser on a deferred basis. Subsequently, the purchaser of the first sale will sell the same asset to a third party on a cash and spot basis. Via this financing, the Bank will buy the commodity (crude palm oil (CPO) plastic resin or any other commodity as advised by the Commodity Supplier) from the Commodity Supplier with the cost price (based on the financing amount). Subsequently the Bank sells the commodity to the Customer at cost plus profit (*Murabahah*) on a deferred payment. Next, the Customer appoints the Bank as an agent (*wakalah*) to sell the commodity to a third party at cost price, on a cash basis. Proceeds of sale will be credited to Customer's account as financing amount required by the Customer. Commodity applies for *Tawarruq* transaction is subject to the Commodity Broker.

3. What is the benefit of this product?

The benefit of this product as per below:

Financing Limit	<ul style="list-style-type: none"> ▪ RM10,000 per hectare
Facility Tenure	<ul style="list-style-type: none"> ▪ 15 years or 180 months
Rate	<ul style="list-style-type: none"> • <u>Profit Rate</u> BFR + 2% per annum on monthly rest basis. ▪ <u>Ceiling Profit Rate (CPR)</u> BFR + 4% per annum or 10% per annum, whichever is higher for the calculation of the sales price. ▪ <u>Effective Profit Rate (EPR)</u> At the current rate and did not exceed the ceiling profit rate charged and is calculated on a monthly balance

***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)
- Execute *akad* for the *Tawarruq* transaction

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

Fees and Charges	Details of Fees and Charges
Stamping Fees	As per the Stamp Act 1949 (Revised 1989).
Legal & Disbursement Fee	Include solicitor's fees for financing documentation, registration of charge, land search and bankruptcy search and others related charges.
Takaful Contribution	Based on financing amount approved.
Brokerage Fee	Brokerage Fee for every successful <i>Tawarruq</i> transaction is at RM 15 for every millions of commodity purchasing amount. (Subject to GST at 6%)

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.

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

- The Bank shall have the right to impose and claim for compensation (*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 (BNM) Shariah Advisory Council resolution:
 - i. Prior 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 BNM Shariah Advisory Council resolution.
- Legal action will be taken if the customer fails to comply with the reminder notices issued by the Bank

7. 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:

$Ibra' \text{ at Early Settlement} = \text{Deferred Profit} - \text{Early Settlement Charges}$ $\text{Settlement Amount} = \text{Outstanding Selling Price} + \text{Instalments Due} + \text{Late Payment Charges (if any)} - Ibra'$
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8. Do I need any Takaful coverage?

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.

9. What are the major risks?

- For the financing based on the Base Financing Rate (BFR), the profit rate is pegged against the Bank's BFR which may fluctuate from time to time. In the event of BFR increases, the effective profit rate also may increase where higher monthly instalment may be imposed to the customer. However, the Effective Profit Rate (EPR) shall be subjected to the Ceiling Profit Rate (CPR) allocated by the Bank.
- If customer failed to reply to email, fax or any other medium of *akad* as advised by the Bank, customer would be at risk of not obtaining the financing as per requested. Therefore, it shall be customer's responsibility to response to the *akad* via medium of *akad* advised by the Bank.

10. Do I need a guarantor or collateral?

Yes. A collateral and/or guarantor are required by the Bank.

11. 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 • Email : customer@agrobank.com.my

12. 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 • Email : customer@agrobank.com.my
- Alternatively, you may seek the services of Agensi Kaunseling dan Pengurusan Kredit (AKPK), an agency established by BNM which provides free services on monetary management, credit counselling and debt restructuring for individuals. You may contact AKPK at:
Tingkat 8, Maju Junction Mall, 1001, Jalan Sultan Ismail, 50250 Kuala Lumpur.
•Tel: 1-800-22-2575 •Email : enquiry@akpk.org.my
- If you wish to 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 • Email : 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 •Email : bnmtelelink@bnm.gov.my

13. 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 • Email : customer@agrobank.com.my

14. 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.
- Customer is required to reply to email, fax or any other mediums of *akad* as advised by the Bank as a purchase and sale *akad* in order to complete the *Tawarruq* transaction.

IMPORTANT NOTE:

LEGAL ACTION MAY BE TAKEN AGAINST YOU IF YOU FAIL TO KEEP UP PAYMENTS ON YOUR SAWIT-i FINANCING FACILITY.

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 at www.agrobank.com.my for further 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	:	