

PROGRAM DISCLOSURE SHEET

Date : _____ (To be filled by Branches)

[Please read this Program Disclosure Sheet together with the general terms and conditions before you decide to apply or to accept the offer of *Program Modenisasi Rantaian Nilai Agromakanan*]

Kindly seek clarification from Agrobank ('Bank') if you do not understand any part of this document or the general terms and conditions.

1. What is the program about?

Program Modenisasi Rantaian Nilai Agromakanan serves the purpose to finance capital expenditure (CAPEX) and/or operating expenditure (OPEX) to Malaysian entrepreneurs (farmers, fishermen, technology service providers, anchor companies) using technology and automation towards Industrial Revolution 4.0 (4IR) in all agriculture sector and food industry sector along the agrofood value chain.

2. What is the Shariah concept applicable?

The Shariah contract applicable is *Tawarruq* transaction which 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, air-time 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. The commodity applicable for *Tawarruq* transaction is subject to the Commodity Broker.

3. What are the criteria and eligibility conditions for this program?

Model	Contract Farming Model	Non-Contract Farming Model
General Eligibility	<ul style="list-style-type: none"> i) Age 18 (during application) to 60 years old (upon maturity of financing). ii) Individuals or non-individuals. iii) For non-individual, organisation with 51% owned by Malaysians registered under Malaysian law such as SSM or local authorities for non-individuals such as (enterprise, partnership, Sdn Bhd) and other agencies as per approved by MAFI, operated in Malaysia. iv) Must be Shariah-compliant business. v) Credit Rating to follow Bank's current credit policy (CCRIS, CTOS including the Section E, financial analysis, etc). 	

	<p>vi) No bankruptcy proceeding or declared bankrupt or under any judgment proceedings.</p> <p>vii) Scale of operation is as deemed fit for commercial purposes (the fitness of scale of operation is subject to type farming projects), if applicable.</p> <p>viii) The proceeds/production are intended for domestic sales or exports.</p> <p>ix) Business activities under commercial registered space/lot as per ACT 172 (Bahagian IV Kawalan Perancangan, Seksyen 18) and/or any relevant act pertaining the usage of land for agriculture purposes.</p> <p>x) Technology to be used is towards 4IR and validated by Technology Validator or <i>Jawatankuasa Kerja</i> MAFI.</p> <p>xi) Applicants had attended relevant training with technology supplier or Anchor Company or Technology Validator, if applicable.</p> <p>xii) The expansion of the business with the use of validated technology must be able to improve productivity of the agriculture sector.</p>		
<p>Specific Eligibility</p>	<table border="1"> <tr> <td data-bbox="516 842 927 1711"> <p>i) Anchor company that fulfils the eligibility as per Program Berkelompok dan Ladang Kontrak-<i>i</i>.</p> <p>ii) Entrepreneurs (project participants) had received Project Offer Letter from the Anchor Company.</p> <p><u>Note:</u> Anchor Company must establish Strategic Alliance Agreement with the Bank prior to financing application origination by the project participants.</p> </td> <td data-bbox="927 842 1395 1711"> <p><u>Technology Provider/Developer</u></p> <p>i) Business has been operating for at least 3 years; and/or</p> <p>ii) Have business registration or distributor certification that is still valid or in force. Standard compliance or certified SIRIM/ ISO/ MyGap is an advantage.</p> <p><u>Entrepreneurs (not tied to Anchor Company) / Anchor Company</u></p> <p>i) Business has been operating in the same field of at least 3 years; (*If less than 3 years, proven experienced technology providers who will provide advisory services, technical assistance, and also after sales service to entrepreneurs can be considered);</p> </td> </tr> </table>	<p>i) Anchor company that fulfils the eligibility as per Program Berkelompok dan Ladang Kontrak-<i>i</i>.</p> <p>ii) Entrepreneurs (project participants) had received Project Offer Letter from the Anchor Company.</p> <p><u>Note:</u> Anchor Company must establish Strategic Alliance Agreement with the Bank prior to financing application origination by the project participants.</p>	<p><u>Technology Provider/Developer</u></p> <p>i) Business has been operating for at least 3 years; and/or</p> <p>ii) Have business registration or distributor certification that is still valid or in force. Standard compliance or certified SIRIM/ ISO/ MyGap is an advantage.</p> <p><u>Entrepreneurs (not tied to Anchor Company) / Anchor Company</u></p> <p>i) Business has been operating in the same field of at least 3 years; (*If less than 3 years, proven experienced technology providers who will provide advisory services, technical assistance, and also after sales service to entrepreneurs can be considered);</p>
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		ii) At least produce 2 cycles of the same agri-activities based on sales record and/or relevant documentation.
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4. What are the features of this program?

The features of this program are as below:

Selling Price	RM_____																		
Financing Amount	RM_____																		
Financing Limit	<p>Up to 100% of total cost including incidental cost (e.g. takaful, stamp duty, etc.) subject to maximum financing as below:</p> <table border="1"> <thead> <tr> <th>Micro Enterprise</th> <th>Contract</th> <th>Non-contract</th> </tr> </thead> <tbody> <tr> <td>Minimum</td> <td>RM10,000</td> <td>RM10,000</td> </tr> <tr> <td>Maximum</td> <td>RM500,000</td> <td>RM500,000</td> </tr> <tr> <th>Small and Medium Enterprise</th> <th>Contract</th> <th>Non-contract</th> </tr> <tr> <td>Minimum</td> <td>RM30,000</td> <td>RM50,000</td> </tr> <tr> <td>Maximum</td> <td>RM1,000,000</td> <td>RM1,000,000</td> </tr> </tbody> </table> <p>The financing amount i.e. aggregated financing amount for both CAPEX and/or OPEX and financing related to SMEs with common shareholders of >20% shareholding shall not exceed the maximum financing limit set for SME and Micro Enterprise.</p>	Micro Enterprise	Contract	Non-contract	Minimum	RM10,000	RM10,000	Maximum	RM500,000	RM500,000	Small and Medium Enterprise	Contract	Non-contract	Minimum	RM30,000	RM50,000	Maximum	RM1,000,000	RM1,000,000
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Facility Tenure	<p>Up to ten (10) years including moratorium period, subject to type and project's needs.</p> <p>Maximum moratorium period is twelve (12) months.</p>																		
Profit Rate	3.5% per annum on a monthly balance																		
Technology Criteria	<p>(i) The type of technology to be used must be classified towards 4IR and has been validated by Technology Validator / Jawatankuasa Kerja MAFI.</p> <p>(ii) Only technology providers validated by Technology Validator / Jawatankuasa Kerja MAFI will be able to supply the technology infrastructure under PMRNA.</p> <p>(iii) If the technology has yet to be validated by the Technology Validator/ Jawatankuasa Kerja, entrepreneurs/ technology providers shall submit technology validation application to MAFI via email (admin.bpp@mafi.gov.my) prior to financing application at the Bank.</p> <p>(iv) Applicant is to obtain relevant documentations such as proof of technology validation / certification / summary report / quotations before financing origination at the Bank.</p>																		

	(v) If the applicant (entrepreneur) who develops his own technology (has a pilot project) and wants to obtain PMRNA financing, the entrepreneur must contact MAFI (admin.bpp@mafi.gov.my) for the technology evaluation process
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5. What are my obligations?

- Execute *akad* for *Tawarruq* transaction.
- Make monthly payment as per determined in the Letter of Offer.
- Your monthly payment: RM _____
- Total amount to be paid by end of the tenure of _____ (years) is RM _____.

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

Type of Fees & Charges	Details of Fees & Charges
Stamp Duty	As per the Stamp Act 1949 (Act 378).
Takaful Contribution	Based on financing amount approved.
Brokerage Fee	RM 7.00 for every RM1,000,000 of the financing amount.
Legal and Disbursement Fee	Include solicitor’s fees for financing documentation, registration of charge, land search and bankruptcy search and others related charges incidental thereto (if applicable).
Technology Certification fee	Subject to the Technology Validator recognised by the Bank or <i>Jawatankuasa Kerja</i> , if required.
Guarantee fee (SJPP/CGC)	The Bank may impose SJPP/CGC guarantee, as it deems necessary based on the requirements/assessment by the Bank. The guarantee fee (if any) will be borne by the customer and payment can be made through deduction from the financing amount

Note :

- The Bank from time to time will notify at least 21 days’ notice before any changes made to the fees and charges (if applicable).
- If applicable, fee and charges are subject to Sales and Service Tax (“SST”) of 6% (or any rate as fixed by the relevant authority).

7. 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 Selling 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):
 - i. Prior maturity date, *Ta’widh* is charged at a rate of up to 1% per annum *on the* overdue amount and is calculated on a daily basis.
 - ii. Upon maturity date and judgment obtained, *Ta’widh* is charged at the prevailing Islamic Interbank Money Market (IIMM) rate on the entire outstanding balance as determined by the Bank from time

to time based on the guidelines issued by BNM.

- The Bank reserves the right to take legal action if the Customer fails to comply with the reminder notice(s) issued by the Bank.
- The Bank reserves the right to review and terminate the facility granted to the Customer by giving prior notice to the Customer upon occurrence of any event of defaults as agreed in the terms and conditions of the facility.

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:

- 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 where even though the Customer is in default, the Customer makes full settlement of the indebtedness under the Facility before maturity date;
- iv. Settlement by the Customer in the event of termination or cancellation of financing before maturity date.

The amount of rebate/*ibra'* at the point of early settlement before maturity date shall be as follows:

$$\textit{Ibra}' \text{ at Early Settlement} = \text{Deferred Profit}$$

9. Do I need any Takaful coverage?

Customer is encouraged to take Takaful Credit Scheme to secure the indebtedness amount under the financing. Payment can be made through the deduction from the amount of financing. The takaful protection plan is necessary to cover Customer's outstanding financing and/or term of coverage in the event of any unfortunate circumstances. As to safeguard the interest of the Bank and Customers, the appointment of Takaful panel is highly recommended. However, Customers are allowed to choose non-panel takaful provider as approved by the Bank.

Customer is also encouraged to take All Risk Takaful such as Equipment All Risk Coverage (for machinery and equipment) to cover against damage of equipment.

10. What are the major risks?

- Legal action will be taken if the Customer fails to settle the indebtedness after the letter of demand had been issued. The Customer will have to bear all the costs incurred.
- If Customer fails to reply to email, fax or any other mediums of *akad* as advised by the Bank, Customer would be at risk of not obtaining the financing as requested. Therefore, it shall be Customer's responsibility to response to the *akad* via medium of *akad* advised by the Bank (where relevant).

11. Do I need a guarantor or collateral?

Applicable, subject to customer's credit assessment by the Bank.

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 • Email : 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, 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:

Level 5 and 6, Menara Bumiputra-commerce, Jalan Raja Laut, 50350 Kuala Lumpur.

• Tel: 03-2616 7766 • Emel: 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, 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 BNM 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 : bnmteleshop@bnm.gov.my

14. Where can I get further information?

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

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

OTHER INFORMATION

- The information provided in this Program Disclosure Sheet is valid as at date hereof.
- The 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 medium of *akad* as advised by the Bank as a purchase and sale *akad* in order to complete the *Tawarruq* transaction (where relevant).

IMPORTANT NOTE:

LEGAL ACTION MAY BE TAKEN AGAINST YOU IF YOU FAIL TO KEEP UP PAYMENTS ON YOUR PROGRAM MODENISASI RANTAIAN NILAI AGROMAKANAN FINANCING.

Disclaimer:

The terms and conditions indicated in this Program 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.

Please note that all information disclosed under this document shall be processed in accordance with the relevant laws, including the Personal Data Protection Act 2010. Please read our PDPA Policy which is available at our website at www.agrobank.com.my or you may visit our nearest branch if you have any enquiry.

I/We hereby accept and understand the contents of the above Program Disclosure Sheet as explanation given to me/us.		
Signature	:	
Name	:	
NRIC	:	
Date	:	