



Date : _____ (To be filled by Branches)

[Please read and understand the Program Disclosure Sheet together with the terms and conditions governing this program before you decide to apply or accept the offer of Program Agro-YES 2.0.]

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

1. What is the Program about?

Agro-YES 2.0 program is a business financing facility offered under the Dana Pembiayaan Agromakanan Keluarga Malaysia (DPAKM) program especially to the young entrepreneur sector. The nature of businesses covered under this program are crop production, fishery, livestock, food industry production, marketing of retail or wholesale of agricultural products, support serviced related to agricultural activities and agro tourism. This program is to support the intended agenda of strengthening the food production of the country to ensure the sustainability of food supply in the future.

2. What Shariah concept is 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.

In 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. The commodity applicable for *Tawarruq* transaction is subject to the Commodity Broker.

3. What are the eligibility conditions for this program?

- Businesses related to the :
 - Crop production (except paddy, rice and commodities such as rubber, oil palm, tobacco, wood related, cocoa, kenaf and pepper)
 - Fishery
 - Livestock business including breeding except animals protected under the wildlife act, endangered animals, wild animals, and exotic animal
 - Food industry production
 - Marketing of retail or wholesale of agricultural products
 - Support serviced related to agricultural activities
 - Agro tourism.
- A business entity registered with Suruhanjaya Syarikat Malaysia (SSM) either Sendirian Berhad, Sole Proprietor, Partnership / Limited Liability Partnership (LLP) with at least 51% shares held and ultimately controlled by Malaysian citizens.

**Excludes:**

- a. Entities that are public-listed on the main board; and
 - b. Subsidiaries of:
 - o Public-Listed Companies on the main board;
 - o Government-Linked Companies (GLC);
 - o Syarikat Menteri Kewangan Diperbadankan (MKD); and
 - o State-Owned Enterprises.
- The (Owner/partners/directors/shareholders) must be between 18 – 40 years old during application or 1 (one) of the partners / director's age is between 18 – 40 years old during application;
 - The business must be operating for at least 12 months from date of application.
 - Non-individual with less than 12 months involvement in agriculture are eligible under this programme through a contract farming model with an anchor company involved.
 - Individual with less than 12 months involvement in agriculture need to register with Suruhanjaya Syarikat Malaysia (SSM) to be entitled for this financing under contract farming model with an anchor company involved (if applicable).
 - The company/corporate guarantor is not declared as wound up/in liquidation/under receiver and manager/individual guarantor are not a bankrupt and there is no on-going legal action that allows for winding up/bankruptcy.
 - Business activities must be Shariah compliant.

4. What do I get from this Program?

Financing Product	Term Financing- <i>i</i> / Working Capital Financing- <i>i</i>
Purpose of Financing	Capital Expenditure (CAPEX) / or Working Capital (OPEX)
Selling Price	RM_____
Financing Amount	RM_____
Financing Limit * Terms and conditions apply	<ul style="list-style-type: none"> • Minimum of RM50,000 and maximum of up to RM500,000* per applicant.
Financing Tenure	<p>Term Financing – <i>i</i> : Up to a total of 102 months including 6 months moratorium.</p> <p>Working Capital – <i>i</i> : Subject to the product financing tenure.</p>
Profit Rate (Effective Profit Rate) * Terms and conditions apply	<ul style="list-style-type: none"> • Term Financing – <i>i</i> 0%* for 6 months moratorium period 3.0%* per annum calculated on monthly rests. • Working Capital – <i>i</i> 3.0%* per annum on the balance of the financing



Illustration for Term-Financing – i :

Total Asset Amount	RM 200,000
Total Financing Amount (90%)	RM 180,000
Financing Tenure	6 years
Profit Rate	3.0 %
Bank Selling Price	RM xxx

5. What are my obligations?

- To make payment based on the Selling Price (total amount payable inclusive profit).
- To execute *Akad* in the *Tawarruq* transaction.

Rate	Term Financing – i	Working Capital – i
Monthly payment	RM	-
Total profit at the end of ___ years	RM	RM
Total payment amount at the end of ___ years	RM	RM

Note: Prepayment or excess payment of the monthly instalment is allowed and will be treated as subsequent month instalment payment. The prepayment or excess payment however will affect to the profit calculation of your financing account.

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

Type of Fees & Charges	Details of Fees & Charges
Stamping Fees	As per the Stamp Act 1949
Legal & Disbursement Fees	Include solicitor's fees for financing documentation, registration of charge, land search and bankruptcy search and others related charges (if any).
Takaful Contribution	Based on the financing amount approved.
Brokerage Fee	RM 7.00 for every RM1,000,000 of commodity purchasing amount / facility amount.

Note:

- The Bank will from time to time will notify the Customer by giving at least 21 days notice before any changes are made to the fees and charges (if applicable).
If applicable, fees 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 fulfil 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, the 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):
 - i. Prior to maturity date, *Ta'widh* is charged up to the amount of actual loss and shall **not be more than 1% per annum** on the overdue amount and is calculated on a daily basis.
 - ii. Upon the 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 notices issued by the Bank within **twenty-one (21) calendar days**.
- 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 settled 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) Redemption or prepayment of the financing facility.
- ii) Due to restructuring exercise.
- iii) In the case of default by you.
- iv) In the event of termination or cancellation of the financing facility before the expiry date.

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

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

$$\text{Settlement Amount} = \text{Outstanding Selling Price} + \text{Instalment Due} + \text{Late Payment Charges (if any)} - \textit{Ibra}'$$

9. Do I need any Takaful coverage?

Customer is mandatory to take the Equipment All Risk Takaful for machinery or equipment in the event of accident or theft, and/or Motor Takaful for commercial vehicle.



Customer also is mandatory to take Takaful Credit Scheme (*Skim Kredit Takaful*) 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 your 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 approved by the Bank.

10. What are the major risks?

If customer fails to reply to email, fax or any other mediums of *akad* as advised by the Bank within 5 to 8 days depends on the documentation process, the 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 (if relevant).

Legal action will be taken if the Customer fails to settle the indebtedness after the letter of demand has been issued. The Customer will have to bear all the costs incurred.

11. Do I need a guarantor or collateral?

Yes, SJPP guarantee is required for this program and customers need to meet the following conditions according to their respective categories.

- SJPP Guarantee up to 80% of the financing obtained (including principal and profit).
- Any collateral/security from the Customer (if required) i.e. Property/FRIA-i/Sinking Fund
- For contract farming model, no security is required because it is dependent on the strength and the experience on Anchor company.

For Sendirian Berhad:

- Joint and Several Guarantees of all Directors and individual shareholders.
- Corporate Guarantor holding more than 50% share
- Guarantee by key man/person regardless of the shareholdings.

For Limited Liability Partnership:

- Guarantee of each partner for the entire facility

For CAPEX

- Specific debenture over the equipment/machinery

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

It is important for you to inform us of any changes in your contact details to ensure that all correspondences reach you in a timely manner. To update your contact details, you may 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, please do not hesitate to contact us in advance to discuss alternatives payments. Please contact us at:



PROGRAM DISCLOSURE SHEET AGRO-YES 2.0

Agrobank, Bangunan Agrobank, Leboh Pasar Besar, 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 financial management services, credit counselling and debt restructuring for individuals. Please contact AKPK at:
Tingkat 5, Menara Bumiputera Commerce, 50350 Kuala Lumpur
• Tel: 03-2616 7766 • E-mail: enquiry@akpk.org.my
- If you wish to make a complaint about the Programs or services provided by us, please 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 • E-mail: customer@agrobank.com.my
- If your query or complaint is not 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 • E-mail: bnmtelelink@bnm.gov.my

14. Where can I get further information?

For more information and inquiries, 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 • E-mail: customer@agrobank.com.my

OTHER INFORMATION

- The information provided in this Program Disclosure Sheet is valid as at date hereof.
- You are 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.
- Any inconsistency between the English version and the Bahasa Melayu version of this disclosure sheet, the English version shall prevail.

IMPORTANT NOTE:

LEGAL ACTION MAY BE TAKEN AGAINST YOU IF YOU FAIL TO KEEP UP PAYMENTS ON YOUR FINANCING FACILITY UNDER AGRO-YES 2.0 PROGRAM.

Disclaimer:

The terms and conditions indicated in this Program Disclosure Sheet are tentative/ indicative only and are 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 be made by the Bank.



**PROGRAM DISCLOSURE SHEET
AGRO-YES 2.0**

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	:	