

PRODUCT DISCLOSURE SHEET

Machinery and Equipment Financing-*i* (MAEF-*i*)

Date: _____
[To be filled by Sales Personnel]

Please read and understand this Product Disclosure Sheet together with the general terms and conditions before you decide to apply or accept the offer for MAEF-*i*.

Kindly seek clarification from Sales Personnel if you do not understand any parts of this document or the general terms and conditions.

1. What is the product about?

MAEF-*i* is a financing facility ('Facility') that finances customer's purchase of agricultural and manufacturing machineries, equipment or utility vehicles that are used directly or indirectly for the production, processing, and marketing of agriculture or agro-based products.

2. What is the Shariah concept applicable?

The Facility adopts the following Shariah concept:

- a) **Bai 'Bithaman Ajil (BBA)** - refers to a sale and purchase contract based on deferred payment basis over a period of time at a certain price.
- b) **Murabahah** - refers to a sale and purchase transaction whereby the asset's cost price and profit margin was made known to the purchaser and agreed upon by both the seller and the purchaser.
- c) **Wakalah** – refers to a contract whereby the Bank appoints the Customer to purchase the asset from the supplier/distributor on behalf of the Bank.
- d) **Hibah** – refers to transfer of ownership of an asset from the giver (*wahib*) to the receiver (*mawhub lahu*) without any claim, payment or compensation.

3. What do I get from this product?

Margin of the Facility	<ul style="list-style-type: none"> ▪ Up to 90% from the cost of ¹NEW/RECONDITIONED machinery/equipment. ▪ Up to 80% from the cost of ²USED machinery/equipment
Facility Limit	<ul style="list-style-type: none"> ▪ Minimum: RM5,000 ▪ Maximum: Subject to Customer's credit worthiness
Tenure of the Facility	<ul style="list-style-type: none"> ▪ Minimum: 1 year ▪ Maximum: 9 years
Effective Profit Rate (EPR)	<ul style="list-style-type: none"> ▪ NEW/RECONDITIONED: Min 7.0% p.a. ▪ USED: Min 10.0% p.a. <p><u>Note:</u></p> <ul style="list-style-type: none"> ▪ The profit rate for MAEF-<i>i</i> will be calculated based on the Floating Rate, which is Base Financing Rate ('BFR') +/- the profit margin and on monthly rest. ▪ EPR must not exceed the CPR charged and is calculated on a monthly balance.
Ceiling Profit Rate ('CPR')	<ul style="list-style-type: none"> ▪ BFR + 4% p.a. OR 10% p.a.; whichever is higher

Note:

- ¹Refers 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.
- ²Refers to machinery or equipment that was previously registered and used in Malaysia. The maximum age of machinery or equipment is five (5) years.
- The Base Financing Rate ('BFR') is subject to changes by the Bank from time to time. Current BFR is _____%
- CPR is the maximum rate that can be charged for this product.
- EPR must not exceed the CPR during the Facility period.
- Should there is a change in BFR, EPR and total payment amount for the Facility will be changed accordingly.

4. What are my obligations?

- Payment must be made on a monthly basis from the first date of disbursement of Facility until the end of the Facility period.
- Important: Monthly instalments will vary if there is a change in the BFR. The following is an example of calculating monthly instalment payments if there is a change in the Bank's BFR:

Rate	Today (BFR= __ %)	If BFR increase by 1%	If BFR increase by 2%
Monthly instalment	RM	RM	RM
Total profit at the end of __ (year)	RM	RM	RM
Total payment at the end of __ (year)	RM	RM	RM

5. Do I need to make advance payment?

Yes. You are required to pay the differences between purchase price and the Facility amount as an advance payment for the purchasing of machinery, equipment or commercial/utility vehicles.

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

JPJ Registration Charges (if applicable)	As per JPJ charges
Stamp Duty Fees	As stipulated in the Stamp Act 1949
Legal & Disbursement Charges	Including legal fees for financing documentation, registration of charge, land search, bankruptcy search and other relevant fees (if applicable)
Takaful Contributions	Based in the sum covered and No Claim Discount (NCD) entitlement

Notes:

- Any changes to the related fees and charges will be made in writing by the Bank.
- Fees and charges are subject to Sales and Services Tax (if any) or any other tax as prescribed by the Government.

7. What if I fail to fulfill my obligations?

- The Bank shall have the right to impose and claim for compensation (*Ta'widh*) from the customer on the Bank's actual loss due to the customer's default/failure in making the Instalment Payment or any other payment payable by the customer to the Bank. *Ta'widh* shall not be compounded and calculated from the date the payment becomes due until settlement based on the following guidelines issued by Bank Negara Malaysia ('BNM') as follows: -

i. Prior to Maturity Date

Ta'widh shall be imposed on the overdue instalment at the rate of up to 1% to be calculated on a daily basis.

$$\textit{Ta'widh} = \text{Overdue Instalment} \times 1\% \times \frac{\text{No. of Days Overdue}}{365}$$

ii. Upon Maturity Date

Ta'widh shall be imposed on the outstanding balance of the Facility at the prevailing Islamic Interbank Money Market (IIMM) rate as fixed by the Bank from time to time based on the guidelines issued by the BNM.

$$\textit{Ta'widh} = \text{Outstanding Balance} \times \text{Prevailing IIMM} \times \frac{\text{No. of Days Overdue}}{365}$$

- 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 written notice to the customer upon occurrence of any events of default as agreed in the terms and conditions of the Facility.
- Assets / collateral charged/secured for your Facility can be confiscated / disposed of which you will bear all costs on the action. You are also responsible to settle the outstanding amount of the Facilities after your assets have been sold.

8. What if I make early settlement?

- Rebate (*Ibra'*) shall be granted to the customer based on the formula set out below, in the event of any of the following scenarios: -
 - Early settlement or early redemption or prepayments.
 - Settlement of the Facility due to restructuring exercise.
 - 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 Facility before maturity date.
 - Settlement by the Customer in the event of termination or cancellation of the Facility before maturity date.
- Ibra'* and settlement will be calculated based on the following formula:

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

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

9. Do I need any Takaful coverages?

Customer is required 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 is also 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 Facility. The takaful protection plan is necessary to cover your outstanding Facility 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 the Bank's Takaful panel is highly recommended. However, Customers are allowed to choose any non-panel takaful provider subject to the approval of the Bank.

10. What are the major risks?

In the event of customer failed to settle the outstanding amount of the Facility, Bank has the right to take the ownership of the machinery, equipment or any other additional collateral i.e. land which has been charged together and/or to auction the ownership of the machinery, equipment and/or the Bank has the right to take legal action against the customer and/or the guarantor.

11. Do I need a guarantor or collateral?

Yes. A guarantor and/or financing asset is required by the Bank as collateral for the Facility subject to customer's credit assessment.

12. What do I need to do if there are changes to my contract details?

It is important that you inform the Bank of any changes in your contact details to ensure that all correspondence reaches you in a timely manner. Please visit any nearby Bank branches or kindly contact Bank at:

Address	: Bangunan Agrobank, Leboh Pasar Besar, 50726 Kuala Lumpur
Tel. No.	: 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 the Bank at the earliest possible to discuss payment alternatives. Please visit any nearby Bank branches or kindly contact Bank at:

Address	: Bangunan Agrobank, Leboh Pasar Besar, 50726 Kuala Lumpur
Tel. No.	: 1-300-88-2476
Fax	: 603-2691-7790
Email	: customer@agrobank.com.my

If you wish to obtain further information or lodge a complaint on the products and services provided by us, please visit any nearby the Bank branches or kindly contact Bank at:

Address	: Agrobank, Client Relationship Management, Leboh Pasar Besar, 50726 Kuala Lumpur
Tel. No.	: 1-300-88-2476
Fax	: 603-2691-7790
Email	: customer@agrobank.com.my

Alternatively, you may seek services of Agensi Kaunseling dan Pengurusan Kredit (AKPK), an agency established by Bank Negara Malaysia to provide free services on financial management, credit counseling and debt restructuring for individuals. You are encouraged to attend "Program Pengurusan Wang Ringgit Anda" or "Power" offered by AKPK. Please contact AKPK at:

Address	: Tingkat 5 dan 6, Menara Bumiputra-Commerce, Jalan Raja Laut, 50350 Kuala Lumpur
Tel. No.	: 03-261-7766
Email	: enquiry@akpk.org.my

If your query or complaint is not satisfactorily resolved by the Bank, you may contact Bank Negara Malaysia LINK or TELELINK at:

Address	: Block D, Bank Negara Malaysia, Jalan Dato' Onn, 50480 Kuala Lumpur
Fax	: 1-300-88-5465
Tel. No.	: 603-2174-1515
Email	: bnmtelelink@bnm.gov.my

14. Other facilities available

- Agro IHP-i
- Term Financing-i

Other Information

- The information provided in this Product Disclosure Sheet is valid as at: _____
- Customer is advised to consider all risk factors before deciding to apply for the Facility.

IMPORTANT NOTE

- **LEGAL ACTION MAY BE TAKEN AGAINST YOU IF YOU FAIL TO KEEP UP PAYMENTS ON YOUR MAEF-*i*.**

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/or Principal Agreement ('Facility Agreement') after credit assessment and financing approval by the Bank.
- 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 ('PDPA'). Please read to 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 enquiries.