

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 TERAJU Smart Farming.]

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?

Program TERAJU Smart Farming is a program that offers financing facility to encourage Bumiputera SME entrepreneurs to incorporate modern techniques and automation in agriculture sector with the purpose of increasing in the quality and quantity of production. This program is an initiative by Unit Peneraju Agenda Bumiputera (TERAJU) 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?

- SMEs with at least 60% shares owned by Bumiputera registered under Malaysian law such as Companies Commission Malaysia (CCM) or local authorities operated in Malaysia.
- Business activities is in agriculture sector with operations at least 12 months.
- Non-individual with less than 12 months involvement in agriculture under contract farming model with an anchor company involved.
- The owners/partners/directors/shareholders of the business entities must be between 18 years old (at the time of application) up to the age of 60 years old (at the maturity of financing).
- The expansion of the business with the use of technology must be able to improve productivity of the agriculture sector.
- Credit Rating to follow Bank's current credit policy (bankruptcy search, CCRIS, CTOS, including the Section E, financial analysis, etc).
- Not a subsidiary of a Government-Linked Companies (GLC) or Multinational Companies (MNC).
- The company is not declared bankrupt or has no legal action that allows for bankruptcy action.
- Must be Shariah-compliant business.

4. What do I get from this Program?

Financing Product	Term Financing- <i>i</i> / Working Capital- <i>i</i>
Purpose of Financing	<ul style="list-style-type: none"> Operational Expenditure (OPEX); and/or Capital Expenditure (CAPEX)
Selling Price	RM _____
Financing Amount	RM _____
Financing Limit	Minimum of RM50,000 and a maximum of RM1,000,000 for each application.
Financing Tenure	Up to a total of 120 months including 36 months grace period, if granted.
Profit Rate	Term Financing- <i>i</i> : Base Financing Rate (BFR) + 0% per annum calculated on monthly rest. Working Capital- <i>i</i> : Subject to the product financing tenure

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>i</i>	Working Capital - <i>i</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 affected 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.

Note:

- The Bank 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 withing **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 customers.
- iv. In the event of termination or cancellation of financing facility before the maturity date.

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

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

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

9. Do I need any Takaful coverage?

Customer is encouraged 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 encouraged 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, 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 had been issued. The Customer will have to bear all the costs incurred.

11. Do I need a guarantor or collateral?

Where additional security or collateral is required, SJPP guarantee is required for this program and customers need to meet the following conditions according to their respective categories.

For Company

- 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 on the CAPEX financed by the Bank.

Others

- Customer will bear the guarantee fees, with the first-year fee to be deducted from the financing amount granted.
- The fees and charges shall be borne by the customers (i.e. takaful, stamp duty, legal fee), if applicable.

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 • Email: 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:
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 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-mel: enquiry@akpk.org.my
- If you wish to make a complaint about the Programs or services provided by us, you may contact us at:
Agrobank, Customer Relationship Management, Bangunan Agrobank, Leboh Pasar Besar, 50726 Kuala Lumpur.
• Tel: 1-300-88-2476 • Email: 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 • Email: bnmtelexlink@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:
Agrobank, 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.
- 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 TERAJU SMART FARMING 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 Cum Agreement (LOCA) 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	:	