

PRODUCT DISCLOSURE SHEET

Agro Industrial Hire Purchase-*i* (Agro IHP-*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 Agro IHP-*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?

Agro IHP-*i* is a financing facility ("Facility") to finance the purchase of machineries, equipment or commercial vehicles which are not listed in the First Schedule of Hire Purchase Act 1967 (also known as *Non-act Goods*) such as tractor, harvester, backhoe loader, etc and used directly or indirectly for the production, processing, and marketing of agriculture and/or agro-based products.

2. What is the Shariah concept applicable?

The product adopts *Al-Ijarah Thumma Al-Bai* (AITAB) concept which involves three (3) separate types of contracts, namely agency contract (*Wakalah*), rental contract (*Ijarah*) and followed by sale and purchase contract (*Al-Bai'*) at the end of the Facility tenure.

a) **Wakalah**

Wakalah refers to the contract where the customer represents the Bank's to purchase Assets from the distributor/supplier on behalf of the Bank.

b) **Ijarah**

Ijarah refers to a rental contract between the Bank ("Owner") and the user of the Asset ("Tenant"), where the Tenant agrees to pay the Owner a fixed amount of rent over a mandatory period in return for the use of the Owner's Asset.

c) **Al-Bai'**

Al-Bai' refers to a sale and purchase contract executed during the early settlement/the maturity period/the end of the *Ijarah* contract. At this point, the ownership (legal title) of the leased Asset will be transferred to the Tenant.

3. What do I get from this product?

Facility Margin	<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 creditworthiness
Facility Tenure	<ul style="list-style-type: none"> Minimum: 1 year Maximum: 9 years
Profit Rate	<ul style="list-style-type: none"> NEW/RECONDITIONED: 3.55% p.a. USED: 5.20% p.a. <p>At the current rate and calculated based on Rule of 78 on a monthly balance basis.</p>

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 upon its registration in Malaysia.

4. What are my obligations?

- Monthly instalments must be made based on the rental price (total rental plus profit) to be paid, commencing one (1) month after disbursement of the Facility.
- You are required to pay all monthly instalments as per the agreed schedule of payment stated in the agreement or any subsequent notice upon disbursement of your Facility amount until full settlement of the Facility.

5. Do I need to make advance payment?

Yes. You are required to pay the differences between the Purchase Price and Facility Amount as an advance payment for the purchasing of machinery/equipment/commercial vehicle.

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

JPJ Registration Charges (if applicable)	As per JPJ fees and charges
Stamp Duty Fees	As stipulated in the Stamp Act 1949
Legal & Disbursement Charges	Including legal fees for Facility documentation, registration of charge, land search, bankruptcy search, winding-up search and other relevant fees (if applicable)
Takaful Contributions	Depending on the amount of coverage taken for the Asset 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. The *Ta'widh* shall not be compounded and calculated from the date of 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% per annum to be calculated on a daily basis.

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

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.

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

- 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 secured for your Facility can be confiscated/disposed of where you will bear all costs on the action. You are also responsible to settle the outstanding amount of the Facility after the assets have been sold.

8. What if I make early settlement?

- Rebate (*Ibra'*) shall be granted to customer, 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 the maturity date.
- *Ibra'* and settlement amount will be calculated based on the following formula:

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

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

9. Do I need any Takaful coverages?

Customer is required to take Equipment All Risk Policy 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 to secure the indebtedness amount under the Facility. Payment can be made through the deduction from the amount of the 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 the customer failed to settle the outstanding amount of the Facility, the Bank has the right to take the ownership of the machinery, equipment or any other additional collaterals (i.e. land) which has been charged and/or to auction the machinery, equipment and/or the Bank has the right to take legal action against the customer and/or 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 the 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 the Bank, please visit any nearby 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

- Term Financing-*i* (TF-*i*)
- Machinery and Equipment Financing-*i* (MAEF-*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 AGRO IHP-*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 Principle Agreement ('Facility Agreement') after credit assessment and approval of the Facility.
- 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 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.