

<p>PRODUCT DISCLOSURE SHEET</p> <p>REMINDER: You are reminded to read and understand the terms and conditions of this Product Disclosure Sheet before signing below. If there are any terms and conditions in this Product Disclosure Sheet which you do not understand, please do seek independent advice and/or clarify with the Bank.</p>	<p>ENGLISH VERSION</p> <p>Bank : Affin Islamic Bank Berhad</p> <p>Product : Low Carbon Transition Facility-i (LCTF-i)</p> <p>Date of Issuance to Customer:</p> <p>_____</p> <p>(to be filled out upon application)</p>
<p>1. What is this product about?</p>	
<p>Low Carbon Transition Facility-i (LCTF-i) ("Facility") is a Tawarruq Term Financing-i facility offered by the Bank to encourage and support small and medium enterprises (SMEs) in adopting sustainable practices for business resilience. These sustainable practices include, but not limited to, obtaining sustainability certification, increasing the use of sustainable material for production, improving energy efficiency of building and appliances, and installing on-site renewable energy generation equipment.</p> <ul style="list-style-type: none"> The purpose of this Facility is to fund working capital or capital expenditure (CAPEX) The financing amount for this Facility is up to RM 10 million per SME The maximum financing tenure for this Facility is ten (10) years (120 months). The financing rate is up to 5.00% per annum inclusive of guarantee fee, if any; and The Facility will be partially secured by Credit Guarantee Corporation Berhad (CGC) or Syarikat Jaminan Pembiayaan Perniagaan Berhad (SJPP), if any. 	
<p>2. What is the Shariah concept applicable?</p>	
<p><u>Tawarruq</u></p> <p>The Shariah Concept applied for the above product is <i>Tawarruq</i>. <i>Tawarruq</i> consist of two sale and purchase contracts where the Customer purchase the Commodity from the Bank at a mark-up sale price (Bank's Sale Price) on a deferred payment basis and subsequently sells the Commodity to a Commodity Supplier for cash at the Bank's Purchase Price with the objective of obtaining cash.</p> <p><u>Wakalah</u></p> <p>Under this facility, the Bank will apply the dual-agency mechanism under the <i>Wakalah</i> concept. The Customer appoints the Bank as the Customer's agent to purchase the Commodity from the Bank and subsequently sells the Commodity to another Commodity Supplier on behalf of the Customer in order to complete the <i>Tawarruq</i> transaction.</p> <p><u>Wa'd</u></p> <p>The customer will execute the Purchase Undertaking based on <i>Wa'd</i> concept. Under the Purchase Undertaking, the Customer undertakes to purchase from the Bank a specific Shariah compliant commodity ("the Commodity" consists of crude palm oil (CPO), rubber or any other commodity) as advised by the Commodity Supplier at Bank's Sale Price.</p>	
<p>3. What do I get from this product?</p>	
<ul style="list-style-type: none"> Total Financing Amount : RM 700,000.00 Ceiling Profit Rate (CPR) : 12.00% p.a. Bank's Sale Price : RM 1,037,980.44 (Based on CPR) Effective Profit Rate (EPR) : 5.00% p.a. Tenure : 7 years <p>Notes:</p> <ol style="list-style-type: none"> The calculations and information above are for ILLUSTRATION purpose only. The Total Financing Amount is equivalent to the Bank's Purchase Price. The Bank's Sale Price is calculated at CPR. The Ceiling Profit Rate (i.e. maximum capping rate) in determining the Bank's Sale Price is as stated above unless otherwise advised by the Bank. However, the monthly profit will be calculated based on the EPR (5.00%) on monthly rest basis which will not exceed the Ceiling Profit Rate. Base Financing Rate (BFR) is subject to change from time to time and our current (BFR) is 6.56 % p.a. Revised EPR shall be at BFR + 3.50% p.a. if the Customer defaults on the payment. 	

4. What are my obligations?

- Your monthly installment is **RM 9,893.74**.
- Your total payment amount at the end of **seven (7)** years is **RM 831,074.16**.

Rate	Today (EPR =5.00 % p.a.)
Monthly installment	RM 9,893.74
Total profit at the end of 7 years	RM 131,074.16
Total payment amount at the end of 7 years	RM 831,074.16

- The calculations and information above are for the **ILLUSTRATION** purpose only.
- Profit is calculated on monthly rest basis.
- Due to the increase in BFR, the revised EPR on this Facility may vary from the rate stated in our Letter of Offer and it will change accordingly as published by the Bank from time to time.
- Increase in BFR may result in higher installment amount to be serviced. However, the monthly profit will not exceed the CPR. Rebate shall be provided to the Customer if there is a difference between the CPR and the EPR as described in Item 7 below.
- Other terms and conditions are stipulated as per Letter of Offer.

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

Type of fee/charges	Details of fee/charges
Stamp Duty	For stamp duty, it is as per the Stamp Act 1949 (Revised 1989) and will be borne by the Customer.
Legal fee for completion of security documentation prior to the release of the Facility	Legal fee on solicitor will be borne by the Customer
Disbursement fee / Processing fee	No fee on disbursement / processing
* Brokerage Fee	i. Any fees related to Brokerage imposed by the commodity provider shall be borne by the Customer ii. The Brokerage Fee is related to the brokerage cost, which is RM5.00 per RM1.0 million on a pro-rate basis.
Others	A Letter of Authorization from the Customer authorizing the Bank to debit the Islamic Current Account with the Bank or such other account with another financial institution for servicing the monthly payment via the Automatic Fund Transfer (AFT) for the Facility, if any, collection of sinking fund or any amount due in respect of the Facility.

Note:

- *Brokerage Fee is subject to change from time to time as quoted by the commodity provider.
- We will communicate to you at least twenty-one (21) calendar days prior to the effective date of any changes in fees and charges applicable to the Facility.
- As per all other terms and conditions in Letter of Offer

6. What if I fail to fulfill my obligations?

a) Compensation Charges (Ta'widh) will apply.

The Customer shall pay *Ta'widh* as follows:

- Before maturity of the Facility

A sum equivalent to one per centum (1%) per annum on overdue instalment(s) until date of full payment;

$$= \text{Overdue installment} \times 1\% \times \frac{\text{no. of days overdue}}{365}$$

- Upon maturity of the Facility or Judgement

A sum equivalent to the prevailing daily overnight Islamic Interbank Money Market Rate (IIMM) on outstanding balance i.e. outstanding Selling Price less *ibra'* (if any);

$$= \text{Outstanding balance} \times \text{prevailing IIMM} \times \frac{\text{no. of days overdue}}{365}$$

b) Revised Effective Profit Rate

1. If your Facility is classified as Impaired Financing (Non-Performing Financing):

Profit Rate

- Payment of the monthly instalments of the Bank's Sale Price

The Bank shall revise the EPR in your Letter of Offer to BFR + 3.50% per annum ("p.a.") calculated on the outstanding principal, or such other rate or basis of calculation of the rate as the Bank may determine at its discretion at any time and from time to time.

2. Prior to the revision of the rate, the Bank shall provide a written advance notice of not less than twenty-one (21) calendar days.

3. If you have regularized the Facility and after due assessment by the Bank, the Bank shall reinstate the EPR per the Letter of Offer.

If your EPR has been reinstated, but subsequently revised again due to paragraph one (1) above, the Bank shall reinstate the rate after regularization of the Facility upon your application for reinstatement and due assessment by the Bank.

4. The revised EPR in any event will not exceed the ceiling profit rate.

c) Right to commence recovery or legal action

Legal action will be taken against you and the guarantors if you fail to respond to reminder notices. Legal action against you and the guarantors may affect your credit rating leading to credit being more difficult or expensive. The Bank has the right to commence recovery activities (including engaging third-party debt collection agencies), foreclosure and bankruptcy proceedings.

d) We may set-off any credit balance in your account maintained with the Bank against any outstanding balance in this Facility with a seven (7) calendar days prior notice to you.

e) Please refer to your responsibilities stated in the Letter of Offer.

7. What if I fully settle the financing before its maturity?

The Bank does not impose a lock-in period for this Facility and there is no fee imposed for early settlement before maturity.

The Bank shall grant rebate (ibra') equivalent to the deferred profit at the point of settlement. Ibra' (rebate) formula:

Ibra' (rebate) on early settlement = Deferred profit - Reasonable estimate cost incurred by the Bank.

Note:

- *Deferred Profit = Total Contracted Profit – Accrued Profit*
- *Total Contracted Profit = Bank's Sale Price – Bank's Purchase Price*
- *Accrued Profit is calculated on Effective Profit Rate of the outstanding principal being utilised*

8. Do I need any takaful coverage?

- It is highly recommended for the Customer/guarantor(s) / owner of the business to take up Family Takaful products with the Bank's preferred Takaful partners.
- However, you are free to use the service of any Takaful operators of your choice that provide adequate coverage against such risks as the Bank deems fit.

9. What are the major risks?

The payment of the Bank's Sale Price is by way of periodical installment. Any increase in the Base Financing Rate (BFR) (floating rate) will result in higher installment amount. However, the Bank's Sale Price is capped at a ceiling profit rate of twelve per centum (12.00%) per annum. The Bank will notify Customer on the changes to the periodical installment due to variation to the BFR prior to the effective date.

If you have problems to fulfill your financing obligations, please contact and discuss with us.

10. What do I need to do if there are changes to my contact details?

It is important that you inform us of any changes in your contact details to ensure that all correspondences reach you in a timely manner.

Please liaise with the respective Relationship Manager at Business Centre or Direct Channels where the financing facility was applied.

11. Where can I get assistance and redress?

- If you have difficulties in making payments, you should contact your respective Relationship Manager earliest possible to discuss payment alternatives.
- If you wish to complain on the product or services provided by us, you may fill-in an "Online Feedback Form" which is available at the Bank's website: www.affinalways.com. that will be escalated to the Bank's Customer Care and Quality unit. You may also contact us at:
Customer Care and Quality
17 Floor, Menara Affin,
80, Jalan Raja Chulan,
50200 Kuala Lumpur
Telephone : 1-800-88-3883
Fax : 03-2026 1104
E-mail : yourvoice@affinbank.com.my
Website : www.affinalways.com
- Alternatively, you may seek the services of Agensi Kaunseling dan Pengurusan Kredit (AKPK), an agency established by the Bank Negara Malaysia to provide free services on money management, credit counselling, financial education and debt restructuring for both individuals and SMEs. You can contact AKPK at:
Agensi Kaunseling dan Pengurusan Kredit (AKPK)
Level 5 and 6,
Menara Bumiputra-Commerce,
Jalan Raja Laut,
50350 Kuala Lumpur.
Telephone : 03-2616 7766
Fax : 03-2616 7601
E-mail : enquiry@akpk.org.my
Operating Hours : **9:00 a.m. – 5:00 p.m.**
(Monday – Friday)
- You may re-address the issue with the Ombudsman for Financial Services (OFS) when steps taken by the Bank are unsatisfactory to you. You may contact OFS at:
Ombudsman for Financial Services (OFS) (664393P)
(Formerly known as Financial Mediation Bureau)
Level 14, Main Block
Menara Takaful Malaysia
No. 4, Jalan Sultan Sulaiman 50000 Kuala Lumpur
Tel : 603 – 2272 2811
Fax : 603 – 2272 1577
Email : enquiry@ofs.org.my
Website : www.ofs.org.my
- If your query or complaint is not satisfactorily resolved by us, you may contact the Bank Negara Malaysia LINK or TELELINK at:
Block D, Bank Negara Malaysia
Jalan Dato' Onn
50480 Kuala Lumpur
Telephone : 1-300-88-5465
Fax : 03-21741515
E-mail : bnmtelelink@bnm.gov.my

12. Where can I get further information?

If you require additional information about this product, please contact us at any of the Bank's branches or call our Contact Centre at 03-8230 2222 or visit our website at www.affinalways.com .

13. Other facilities available.

Please liaise with your respective Relationship Manager or alternatively, you can also visit us at any of the Bank's branches or Business Center or visit our website at www.affinalways.com for more information.

IMPORTANT NOTE:

LEGAL ACTION MAY BE TAKEN AGAINST YOU IF YOU DO NOT KEEP UP PAYMENTS ON YOUR FINANCING FACILITY.

The information provided in this disclosure sheet is valid as at **7 NOVEMBER 2022**

☐ I/We hereby acknowledge that the terms and conditions of this Product Disclosure Sheet, in particular, the key terms that affect my/our obligations have been adequately explained to me/us by the Bank's representative and I/We agree to the terms and conditions

Signature : _____

Name : _____

NRIC No : _____

Date : _____