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| PRODUCT DISCLOSURE SHEET (REMINDER: You are reminded to read and understand the terms and conditions of this Product Disclosure Sheet before signing below. In the event there are any terms and conditions in this Product Disclosure Sheet that you do not understand, please seek independent advice and/or discuss with the Bank's representative before signing below.) | ENGLISH VERSION Bank : AFFIN ISLAMIC Product : <ul style="list-style-type: none"> Letter of Credit-i (LC-i) Express Letter of Credit-i (LC-i) Date of Issuance to Customer: <hr style="width: 100%;"/> (to be filled out upon application) |
| 1. What is this product about? | |
| <p>A. <u>Letter of Credit-i</u></p> <p>Letter of Credit-i (LC-i) is a written undertaking given by the AFFIN ISLAMIC (“the Bank”) to a seller (“beneficiary”), at the request and on the instruction of you (applicant/buyer), to pay at sight or at the determinable future date up to a stated sum of money, within a prescribed time limit and against compliant presentation of stipulated documents.</p> <p>The Issuance and amendments of LC-i are governed by the Uniform Customs and Practice (UCP) for Documentary Credits and Uniform Rules for Bank-to-Bank Reimbursement (URR) (published by International Chamber of Commerce). The Bank offers two types of LC-i as below: -</p> <ul style="list-style-type: none"> <u>Murabahah LC-i (MLC-i)</u> MLC-i with or without financing facility where upon payment, you may choose to request for financing under the Trust Receipt-i (TR-i) / Accepted Bills-i (AB-i) or to utilize your own fund to effect payment. <u>Wakalah LC-i (WLC-i)</u> WLC-i without financing facilities. WLC-i is fully cash backed and upon payment the Bank will set-off the deposit placement by customer during issuance of LC-i. There will be a facility limit shall be approved for the Customer in which every issuance under the limit shall be backed by security. <p>B. <u>Express Letter of Credit-i</u></p> <ul style="list-style-type: none"> Express Letter of Credit-i (Express LC-i) is a product offered by the Bank to the customer, secured against 100% cash payment or Term Deposit (TD-i)/Fixed Deposit (FD) plus variance/tolerance (if any). It is offered to existing financing customer or non-financing who maintain Current Account-i (CA-i) or Foreign Current Account-i (FCA-i) with the Bank. Express LC-i is based on Wakalah concept and will be issued from time to time based on application received from Customer. No upfront facility limit shall be allocated for the customer as this is merely a service. Express LC-i is a written undertaking by the Bank, given to a seller (the Beneficiary) at the request and on the instruction of the buyer (the Applicant), to pay at sight or at the determinable future date up to a stated sum of money within a prescribed time limit and against the stipulated documents which are in accordance with terms and conditions of the LC-i. Express LC-i issued is subject to Uniform Customs and Practice for Documentary Credits (UCP) and Uniform Rules for Bank-to-Bank Reimbursements under Documentary Credit (URR), International Chamber of Commerce Publication currently in force and guided by International Standard Banking Practice (ISBP). Collateral/Security taken will be treated as follows: <ul style="list-style-type: none"> i. Cash payment will be debited from Applicant's account maintained with the Bank, or ii. TD-i/FD will be tagged on lien to the Bank. | |
| 2. What is the Shariah concept applicable? | |
| <p>The Letter of Credit-i is formulated based on the following Shariah concepts:</p> <ul style="list-style-type: none"> <u>Wakalah</u> Refers to agency arrangement, where the Bank will act as an agent on behalf of the company/individual. <u>Murabahah</u> Refer to the selling of goods/assets at a price where the costs and profit margin (mark-up) are made known and agreed to by both parties. The basic feature of Murabahah is that the seller discloses the actual cost he has incurred in acquiring the goods/assets, and how much profit he is going to charge in addition to the cost. | |

3. What do I get from this product?

- Able to negotiate with supplier for a better credit terms and pricing as LC-i/Express LC-i is a more secured payment term where undertaking of payment is from a bank.
- Payment will only be made upon presentation of compliant documents/document of title to the goods.

Applicable for Letter of Credit-i

- May avail for subsequent import financing to meet your payment requirement.

4. What are my obligations?

A. Letter of Credit-i (LC-i)

- Letter of Credit-i is payable on demand.
- Total amount payable to the Bank is inclusive the fees and charges.

B. Express Letter of Credit-i

- Provide collateral/security either in a form of cash payment or TD-i/FD.
- Pay the Bank all charges pursuant to the issuance of Express LC-i together with commission at such rate(s) as may be prescribed by the Bank from time to time and the Bank's agent charges, if any.
- Undertake to pay immediately (sight Express LC-i) or accept and pay on the maturity date (usance Express LC-i) upon notification by the Bank of presentation of documents in compliance with the terms and conditions of the Express LC-i.
- If documents presented did not comply with the Express LC-i terms and conditions, you must immediately revert whether to take-up or reject the documents, upon notification by the Bank on the discrepancies noted.
- Certify that the goods purchased is not prohibited or restricted and that you hold and undertake to provide to the Bank a valid license if such license is required.

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

| Fee and Charges | Amount (RM) |
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| Issuance Commission for LC-i | 0.1% per month from the facility amount or part of that month; Minimum RM 100.00 or as per Letter of Offer |
| Commission on Amendment LC-i (extend validity / increase of amount) | 0.1% per month from the facility amount or part of that month; Minimum RM 50.00 or as per Letter of Offer |
| Other Amendment | RM50.00 |
| Stamp Duty (Facility and security documents) | As per Stamp Act 1949 |
| Stamp Duty (Transaction Documents) | As per Stamp Act 1949 |
| Original LC-i | RM 10.00 |
| Other charges | All other charges shall follow the Bank's Standard Tariff of Charges |

Note:

For MLC-i full amount cancellation, the Bank has right to set-off Bank's actual cost up to RM550.00 from the commission paid. The remaining commission amount (if any) will be refunded to you. For partial amount MLC-i cancellation WLC-i cancellation and Express LC-i cancellation, refund of commission paid by Customer is not applicable.

6. What if I fail to fulfill my obligations?

A. Letter of Credit-i and Express LC-i

- The security which has been pledged for LC-i will be uplifted for the Bill of Exchange amount inclusive of charges (if any).
- The Bank may charge Ta'widh (compensation) on overdue monies, if you fail to pay any payments due to the Bank, as follows:
 - (a) at the Bank Negara Malaysia's prevailing Islamic Interbank Money Market (IIMM) rate on balance of the principal amount for payments overdue; or
 - (b) using any other method approved by BNM
- Legal action will be taken if you fail to respond to reminder notices. Your property may be foreclosed, and you will have to bear all legal costs in relation to the same. You are also responsible to settle any shortfall (if any) after your property is sold.
- Legal action against you may affect your credit rating leading to financing being more difficult or expensive to you.

- Under specific circumstances where the Customer is not contactable, the Bank's obligation is considered to be fulfilled if such notice has been sent to the last known address of the Customer at least 7 calendar days in advance.

B. Express Letter of Credit-i

In the event a customer cancels the Express LC-i, a confirmation/ consent from the Beneficiary must be obtained prior to cancellation. The commission collected for the Express LC-i will not be refunded. The Bank will not honour payment to the supplier in view of the cancellation of the Express LC-i.

7. What are the major risks?

- Goods purchased or imported may not be in accordance to your sales contract and the Bank has no obligations to verify and/or validate such event as the Bank only deals with the documentation.
- Delayed and/or non-take up of shipping documents may result in demurrage charges being imposed on you during clearance of goods at a later stage.
- The Bank however has the sole right to accept/reject any discrepant documents.

8. 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 Bank's website AffinAlways.com. that will be escalated to Customer Feedback & Resolution Management. You may also contact us at:

Customer Feedback & Resolution Management

**Level 9, Menara AFFIN, Lingkaran TRX,
Tun Razak Exchange, 55188 Kuala Lumpur.**

Telephone : 03 – 8230 2222

E-mail : YourVoice@affingroup.com

Website : <https://www.affingroup.com>
<https://www.affinalways.com>

- Alternatively, you may seek the services of Agensi Kaunseling dan Pengurusan Kredit (AKPK), an agency established by 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 Aras Raya (Formerly known as
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 is still unsatisfactory. 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

Telephone : 03 – 2272 2811

Fax : 03 – 2272 1577

E-mail : enquiry@ofs.org.my

Website : www.ofs.org.my

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

BNMLINK

Bank Negara Malaysia

P.O. Box 10922 (Peti Surat 10922)

Telephone : 1-300-88-5465

Fax : 03-21741515

E-LINK : <https://bnmlink.bnm.gov.my>

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| 9. What do I need to do if there are changes to my contact details? |
| It is important that you inform us (written notice to be sent to the account holding branch) of any changes in your contact information to ensure that all correspondences reach you in a timely manner. |
| 10. Where can I get further information? |
| Should you require additional information on financing, please contact us at our nearest branch or call our Contact Centre at 03-8230 2222 or visit our website AffinAlways.com for further details. |
| 11. Other facilities available. |
| Accepted Bills-i, Shipping Guarantee-i, Bank Guarantee-i, Trust Receipt-i, Working Capital Financing-i, Bills Negotiation-i and Export Credit Refinancing-i. |
| <p style="text-align: center;"><u>IMPORTANT NOTE:</u> LEGAL ACTION MAY BE TAKEN AGAINST YOU IF YOU DO NOT KEEP UP PAYMENTS ON YOUR FACILITY.</p> |

The information provided in this disclosure sheet is valid **as at 8 AUGUST 2024.**

- I/We hereby acknowledge that the key terms of this product disclosure sheet, in particular, the terms affecting my/our obligations, have been adequately explained to me/us by the Bank's staff, representative or agent.

Signature : _____

Name : _____

NRIC No : _____

Date : _____