

PRODUCT DISCLOSURE SHEET

Paddy Financing-*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 of Paddy Financing-*i* which includes BERNAS Paddy-*i*, PPK Paddy-*i*, KPK Paddy-*i* & Agro Paddy-*i*.

Kindly seek clarification from Agrobank ('Bank') if you do not understand any parts of this document or the general terms and conditions.

1. What is the product about?

Paddy Financing- *i* is a financing which does not require collateral to finance working capital for rice planting activities in a paddy field which is certified by related government agency.

- BERNAS Paddy-*i*: Farmers ties with *Kilang Beras Bernas (KBB)* which is also known as *Peserta Rakan Ladang BERNAS*
- PPK Paddy-*i*: Farmers ties with agency or paddy management with *Pertubuhan Peladang Kawasan (PPK)*
- KPK Paddy-*i*: Farmers ties with agency or paddy management with *Kilang Padi Komersial* others than *Kilang Beras Bernas (KBB)*
- Agro Paddy-*i*: Farmers who do not ties with any agency or any paddy management with *Kilang Padi Komersial (KPK)*

2. What is the Shariah concept applicable?

Tawarruq

The Shariah Concept applied for the above product is Tawarruq. Tawarruq 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.

Wakalah

Under this facility, the Bank will apply the dual-agency mechanism under the Wakalah 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 Tawarruq transaction.

"Commodity" in the context of Tawarruq transaction refers to any type of Shariah-compliant commodities acceptable by the Bank such as crude palm oil, plastic resin, airtime, or any other commodity as advised by the Commodity Supplier through any Commodity Trading Platform approved by the Bank.

3. What do I get from this product?

Financing Limit	<ul style="list-style-type: none"> ▪ Minimum : (i) Semenanjung Malaysia; RM1,000 (ii) Sabah & Sarawak; RM600 ▪ Maximum : RM50,000
Tenure of Financing	<ul style="list-style-type: none"> ▪ Minimum: 6 months ▪ Maximum: Seasonal review, not exceeding five (5) years
Profit Rate	<ul style="list-style-type: none"> ▪ Agro Paddy-<i>i</i> 3.25% per season (6 months) on a monthly rest ▪ BERNAS Paddy-<i>i</i> 2.52 % per season (6 months) on a monthly rest ▪ PPK/KPK Paddy-<i>i</i> 2.75% per season (6 months) on a monthly rest
Ceiling Profit Rate (CPR)	10%
Effective Profit Rate (EPR)	<ul style="list-style-type: none"> ▪ Agro Paddy-<i>i</i> 6.50% per annum on a monthly rest ▪ BERNAS Paddy-<i>i</i> 5.04% per annum on a monthly rest ▪ PPK/KPK Paddy-<i>i</i> 5.50% per annum on a monthly rest

4. What are my obligations?

- Payment must be made based on the sale price (amount of financing plus profit).
- To execute akad in the Tawarruq transaction
- If subsidies are insufficient, the Bank is entitled to be paid of the periodic instalment from other sources.
Important: Prepayment or excess payment of the periodic instalment is allowed and will be treated as subsequent month instalment payment. The prepayment or excess payment however will affect to the profit calculation of your financing account.

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

Stamp Duty Fees	As stipulated in the Stamp Act 1949 (Revised 1989)
Legal Fees & Disbursement	Include solicitor's fees for financing documentation, registration of charge, land search and bankruptcy search, winding-up search and others related charges (if any)
Takaful	Depending on the amount of coverage taken for the Facility
Brokerage Fee	<ul style="list-style-type: none"> ▪ RM15 per Tawarruq transaction

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 Service Tax (if any) or any other tax as prescribed by the government.

6. 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 the Instalment Payment or any other payment payable by the Customer to the Bank. The compensation (*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 installment at the rate of up to 1% per annum to be calculated on a daily basis.

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

 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 notice to the Customer upon occurrence of any events of default as agreed in the terms and conditions of the facility.

7. What if I make early settlement?

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

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

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

8. Do I need any Takaful coverages?

- Customer is 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 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 as approved by the Bank.

9. What are the major risks?

- If there is a natural disaster or plant damage and the subsidy received is not sufficient for the financing, then the customer must pay for the financing using their own funds. Customers are not eligible for financing in the next season until they complete the previous season's financing.
- In the event of customer failed to settle the outstanding amount of Facility, Bank has the right to take legal action against the customer and/or guarantor.

10. Do I need a guarantor or collateral?

No guarantor or collateral is required.

11. What do I need to do if there are changes to my contact 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

12. Where can I get assistance and redress?

If you have difficulties in making payments, you should contact us 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
Tel.No. : 1-300-88-5465
Fax : 603-2174-1515
Email : Customer@agrobank.com.my

13. Other facilities available

- Not applicable.

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 financing.

IMPORTANT NOTE

LEGAL ACTION MAY BE TAKEN AGAINST YOU IF YOU FAIL TO KEEP UP PAYMENTS ON YOUR PADDY FINANCING-*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 stipulated in the Letter of Offer and Facility Agreement 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 (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.