

PRODUCT DISCLOSURE SHEET

Please read this Product Disclosure Sheet (PDS) before you decide to APPLY for the PRODUCT.

We advise you to also read the general terms and conditions in the Letter of Offer.

Seek clarification from us if you do not understand any part of this document or the general terms.

PRODUCT NAME:

SME LOW CARBON TRANSITION FACILITY-i (LCTF-i)

DATE:

[The date issued to customer to be filled in by Sales Personnel]

1. WHAT IS THIS PRODUCT ABOUT?

- Low Carbon Transition Facility-i (LCTF-i) was established by Bank Negara Malaysia (BNM) with the RM 2.0 Billion (*RM 1.0 Billion in BNM Website) fund size are made available to all Participating Financial Institutions (PFIs) that aimed to support *Small and Micro Enterprise (SME) businesses on their initiatives towards transitioning to low carbon operations.
- The financing offered is for the purpose of Working Capital and Capital Expenditure (CAPEX) financing. It is available in the form of Commodity Murabahah Term Financing-i (CMTF-i) and Letter of Credit-i (LC-i).
- Individual Guarantee from director/guarantor (sole guarantor), Joint and Several Guarantee of all the directors/partners (applicable to Sdn Bhd and LLP)/guarantors, legal charge/assignment over the property to be financed (for property financing) and guarantee from Syarikat Jaminan Pembiayaan Perniagaan Berhad (SJPP) will be taken as collateral/security for the financing.

(*As defined by SME Corporation Malaysia)

2. WHAT IS THE SHARIAH CONTRACT APPLICABLE?

The Shariah contract applied for Commodity Murabahah Term Financing-i (CMTF-i) is Murabahah (cost plus profit) via Tawarruq arrangement (Commodity Murabahah). It is a method of sale with a mark-up price where Customer pays a price over an agreed period of time. The underlying asset for the sale transaction between the Customer and the Bank will be a specific tradable Shariah compliant commodity.

- In accordance to financing under the Commodity Murabahah, the Bank acquires/purchases a specific Shariah compliant commodity from a third party (Commodity Trader 1) upon request made by the Customer.
- The Bank then sells the said commodity to the Customer at the Bank's Sale Price which comprised of the facility amount plus profit margin to be paid on deferred payment basis within the agreed tenure.
- The Customer then appoints the Bank as its agent to perform the commodity sale transaction to a third party for cash.
- The Bank, acting as an agent to the Customer then sells the commodity to a third party (Commodity Trader 2) at a price equivalent to the facility amount or limit.
- Proceeds of sale of the commodity will be disbursed to the Customer, vendors or stakeholders subject to the term and conditions of the facility.

For Commodity Murabahah trading purposes, the Bank shall at all times be your non-exclusive agent to undertake the required Commodity Murabahah transactions related to the facility.

The Shariah contract applied for Letter of Credit-i (LC-i) are as follows:

Shariah Contract	Definition
Wakalah (Agency)	It is a contract where a party, as principal (<i>muwakkil</i>) authorizes another party as his agent (<i>wakil</i>) to perform a particular task on matters that may be delegated, with or without imposition of a fee.
Murahabah Purchase Orderer (MPO)	"MPO" refers to an arrangement whereby the purchase orderer (purchaser) promises (<i>wa'd</i>) to purchase an identified and specified asset from a seller on <i>Murahabah</i> terms upon the latter's acquisition of the asset.

3. WHAT DO I GET FROM THIS PRODUCT?

Total Facility Amount

- Minimum: RM20,000
- Maximum: RM2.5 Million (subject to eligibility).

(Amount of financing approved is at the discretion of the Bank and guarantee approved is at the discretion of SJPP).

Facility Tenure	Up to 10 Years For LC-i: Maximum up to 180 days.						
Pricing / Effective Profit Rate (EPR)	CMTF-i: Fixed rate at 5.00% p.a. inclusive of guarantee fee LC-i: 0.10% per month / Min RM75.00 The fixed rate above is based on BNM Funding Rate + 5.00% p.a. Current BNM Funding Rate is at 0% p.a. The payment of CMTF-i monthly installment is calculated based on EPR. The above EPR may be varied at any time by the Bank giving at least twenty-one (21) calendar days written notice prior to the implementation date provided always that it shall not exceed the Bank's Sale Price.						
Bank's Sale Price (BSP)	Current Base Financing Rate (BFR) is at 6.65% per annum effective from 8 th May 2023. <table border="1"> <thead> <tr> <th>IF Effective Profit Rate</th><th>Then Ceiling Profit Rate is</th></tr> </thead> <tbody> <tr> <td>BFR + (< 3.00%)</td><td>BFR + 4% or 10%, whichever is higher</td></tr> <tr> <td>BFR + (≥ 3.00%)</td><td>BFR + 4% + Spread or 15%, whichever is higher</td></tr> </tbody> </table>	IF Effective Profit Rate	Then Ceiling Profit Rate is	BFR + (< 3.00%)	BFR + 4% or 10%, whichever is higher	BFR + (≥ 3.00%)	BFR + 4% + Spread or 15%, whichever is higher
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Online Banking	a) SME First Account / Maybank2u.Biz/ Maybank2u/ Maybank2E b) Bulk payment by entries (Optional) c) Payroll Solution (Optional)						

4. CAN I OPT FOR PHYSICAL DELIVERY OF THE COMMODITY, INSTEAD? WHAT ABOUT THE COST INVOLVED?

You may opt for physical delivery of the commodity subject to the Bank's terms and conditions. All costs associated with your instruction for physical delivery of the commodity, shall be borne by you.

5. WHAT ARE MY OBLIGATIONS?

Commodity Murabahah Term Financing-i

- Servicing the monthly profit amount pending full financing disbursement
- Servicing the monthly installment amount upon full disbursement

Payment for the facility is in the form of monthly installment payment (calculated based on the prevailing Effective Profit Rate (EPR), facility tenure and cost of financing outstanding balance). The installment amount is to commence upon full facility disbursement.

Servicing monthly profit *	RM _____ (payment of profit amount based on amount disbursed)
Monthly Installment Amount*	RM _____ (payment of principal and profit amount)
Total Payment Amount	RM _____ (inclusive of principal facility amount)

Sample Illustration:

Pricing/EPR : BFR + 2% per annum
Facility Amount : RM500,000
Facility Tenure : 5 Years

EPR	Today (BFR=6.65%) i.e. 6.65% + 2%	If BFR goes up 1% i.e. 7.65% + 2%	If BFR goes up 2% i.e. 8.65% + 2%
Monthly Installment	10,295.00	10,538.00	10,785.00
Total Profit Cost at the end of 5 Years	117,658.93	132,250.89	147,032.40
Total Payment Amount at the end of 5 Years	617,700.00	632,280.00	647,100.00

***Note:** The monthly installment amount and the total payment amount may vary accordingly with the changes in the BNM Funding Rate and/or BFR. However, the total payment amount shall not exceed the Bank's Sale Price. We will notify the new installment amount within 21 calendar days prior to the effective date.

6. WHAT ARE THE FEES AND CHARGES I HAVE TO PAY?

Stamp Duties	As per the Stamp Act 1949 (revised 1989)
Trading Fees	In respect of the Commodity Murabahah transaction, you shall pay to the Bank a trading fee of RM15 per every RM1.0 million of the Facility Amount or such other amount as may be determined by the Bank from time to time.
SJPP Guarantee Fee	0.50% p.a. guarantee fee will be charged annually and incorporated in the calculation of the effective profit rate.
SJPP Cancellation Fee	Cancellation fee of RM100.00 [subject to any tax (where applicable)] shall be chargeable to you for reasons as below:- a) For each of your cancellation request. b) For failure to disburse the facility(ies) for any reason attributable to you after a period of six (6) months from date of receipt of SJPP's approval and as consequent cancellation of the Guarantee approval.
Tax	Subject to all taxes and levies now or thereafter imposed by law.
Other Fees and Charges	All other costs and expenses i.e. legal fees and other charges incurred in the preparation of all documentation, perfection of the Bank's security documents and disbursement.

Note: Subject to Shariah compliance, twenty-one (21) calendar days written notice will be provided to you for any variation made to the fees and charges that you have to pay and such variation will take effect from the date specified in the said notice.

7. WHAT IF I FAIL TO FULFILL MY OBLIGATIONS?

Late Payment Charges (LPC)	<p>A. It is expressly agreed by the parties that the bank has the right to be compensated on late instalment and/or default payment based on the following mechanism:</p> <p>I. <u>Overdue Instalment or Scheduled Payment</u> For failure to pay any instalment or any payment due from the date of the first disbursement of the facility until its expiry or maturity date, an LPC sum equivalent to one per cent (1%) per annum of the overdue instalments/payment or by any other method approved by Bank Negara Malaysia (BNM).</p> <p>II. <u>Upon Maturity/Judgment (whichever is earlier)</u> For failure to pay any instalments or any payment due and which failure continues beyond the expiry or maturity date of the facility or upon judgment, whichever is earlier, at the LPC rate which shall be the prevailing daily overnight Islamic Interbank Money Market (IIMM) rate on the outstanding balance due and payable or any other method approved by BNM from time to time.</p> <p>The amount of LPC charged on you shall not be further compounded.</p>
Legal Action	<p>Legal action may be taken against you due to the following events: -</p> <ul style="list-style-type: none"> Your failure to make instalment payment. Your failure to respond the reminders notices. Any legal action filed against you may affect your credit rating leading to credit being more difficult or expensive to you in the future. <p>Notice will be given to you before any legal action is taken by the Bank.</p>
Right to Set-Off	The Bank may combine, consolidate or merge all or any of your accounts and liabilities with the Bank by giving seven (7) calendar days prior notice on the Bank intention to set off a credit balance of any such accounts in or towards the satisfaction of any of your liabilities to the Bank under the facility. The Bank may concurrently earmark the available funds in your accounts against the outstanding balance of the facility(s) upon the issuance of notice to you.
Default Rate	<p>In the event you default for three (3) consecutive months in any due payment or your account is in excess of the limit for three (3) months under the Facility, we will be entitled to increase the profit margin of the Effective Profit Rate to Base Financing Rate (BFR) + 2.5% p.a. or 1.0% p.a. above the Effective Profit Rate (if the Effective Profit Rate is BFR + 2.5% p.a. and above) ("the Default Rate") to be charged on the amount outstanding, or such other profit rates as Bank Negara Malaysia may prescribe from time to time.</p> <p>We will give you written notice of at least twenty-one (21) calendar days prior to making any changes to the Default Rate or such other rates.</p>

The Default Rate shall continue to apply unless you reduce your payment in arrears to less than three (3) months whereby the current effective profit rate will be reinstated.

Provided always that such increase shall not cause the total payment amount to exceed the Bank's Sale Price.

8. WHAT IF I FULLY SETTLE THE FINANCING BEFORE ITS MATURITY?

Lock In Period	Nil.
Early Settlement Fees	Nil.
Rebate (<i>Ibra'</i>)	<p>If you fully settle your financing before its maturity:</p> <ul style="list-style-type: none"> You will need to pay the outstanding balance, current monthly profit and any amount due and payable to the Bank. No early settlement fee will be charged. <p>The Bank shall grant rebate (<i>Ibra'</i>) to the Customer on, but not limited to, the following events:</p> <ol style="list-style-type: none"> The Customer makes early settlement or early redemption, including those arising from prepayments; In the event of early commencement of monthly instalment prior to the expiry of grace profit period (for progressive disbursement); In the event the Effective Profit Rate is lower than the Ceiling Profit Rate; and In the event the actual disbursed amount is less than the Facility Amount. <p>For clarity, the said rebates will not be construed as cash rebate payable to you but will be reflected as a reduction in the profit element of the Bank's Sale Price of the Facility. The rebate will only be granted upon receipt of the settlement/redemption sum as determined by the Bank based on the following formula:</p> <div style="border: 1px solid black; padding: 5px; margin: 10px auto; width: fit-content;"> $\begin{array}{rclcl} \text{Outstanding} & & \text{Outstanding} & & \text{Other Amount due} \\ \text{Bank's Sale Price} & \text{Less} & \text{Facility Amount} & \text{Less} & \text{to the Bank} \end{array}$ </div> <p>You may refer to our website at www.maybank2u.com.my for a sample illustration on the application of <i>Ibra'</i> and settlement amount formula.</p> <p>Go to Home > Announcements > Bank Negara Malaysia's Guideline on <i>Ibra'</i> (Rebate) for Sale-Based Financing</p>

9. DO I NEED ANY TAKAFUL COVERAGE?

Yes, it is recommended for you to take-up the Personal Reducing Term Takaful (PRTT) for your/key person/managing director/managing partner/partners/proprietor coverage in the event of death or total permanent disability.

10. WHAT ARE THE MAJOR RISKS?

Please be advised that the Effective Profit Rate will change according to the changes in the BFR/BNM Funding Rate. An increase in the Effective Profit Rate may result in higher monthly payments amount.

If you have problems meeting your payment obligations, please contact us early to discuss payment alternatives.

11. WHAT DO I NEED TO DO IF THERE ARE CHANGES TO MY CONTACT DETAILS?

It is important that you inform us of any change in your contact details to ensure that all correspondences reach you in a timely manner. To update your contact details, you may inform us in writing or reach us via one of the channels, e.g. M2U or visit your home branch.

12. WHERE CAN I GET ASSISTANCE AND REDRESS?

- i) If you have difficulties in making payments, you should contact us earliest possible to discuss payment alternatives. You may contact us at:

Name of Branch : _____

Address : _____

Tel/Fax : _____ E-mail : _____

- ii) 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 individuals. You may contact AKPK at:

Tingkat 5 and 6
Menara Bumiputra Commerce
Jalan Raja Laut
50350, Kuala Lumpur
Tel: +603 2616 7766 Website: www.akpk.org.my

- iii) If you wish to complain on the products or services provided by us, you may contact us at your home branch:

or;

Customer Care Hotline
Tel: 1-300-88-6688 (Local) , 603 - 78443696 (Overseas)
Email: mgcc@maybank.com.my

- iv) If your query or complaint is not satisfactory resolved by us, you may contact Bank Negara Malaysia link or telelink at:

Block D, Bank Negara Malaysia
Jalan Dato' Onn
50480 Kuala Lumpur
Tel : 1-300-88-5465 Fax : 03-21741515 E-mail : bnmtelelink@bnm.gov.my

13. WHERE CAN I GET FURTHER INFORMATION?

If you have further enquiries, please contact us at:

Maybank/Maybank Islamic Branch:
Address :
Tel :
E-Mail:

14. IS THERE ANY OTHER SME SCHEMES AVAILABLE?

Yes. You may refer to our website at www.maybank2u.com.my for other SME Schemes.

DISCLAIMER

The information, terms and conditions in this product disclosure sheet are indicative and are not binding on the Bank. The final terms and conditions are stipulated in the Letter Of Offer after credit assessment and final approval by the Bank.

IMPORTANT NOTE:

**THE BANK HAS THE RIGHT TO PROCEED WITH LEGAL ACTION AGAINST YOU IF
YOU FAIL TO PAY YOUR PAYMENTS.**

The information provided in this Disclosure Sheet is valid as at **September 2024** and will be valid until the next periodical review.



Customer's Acknowledgement

I acknowledge that adequate explanation has been provided by the Bank's officer to me in respect of the salient terms of this document.

I hereby declare that I have read and understood the content of this Product Disclosure Sheet.

[*For Partnership/Sole-Proprietorship]

[*For Corporation]

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Business Stamp
Name of the Authorised Signatories:
I/C No.:
Date:

.....
Authorised Signatories and Company Stamp
for <*Company/Customer Name>
Name:
I/C No.:
Date: