

Product Disclosure Sheet (PDS)

Read this Product Disclosure Sheet before you decide to take-up this product. Be sure to also read the terms in the Letter of Offer.

Seek clarification from Bank Pembangunan Malaysia Berhad ("the Bank") if you do not understand any part of this document or the general terms.

**Bank Pembangunan Malaysia Berhad
(197301003074 (16562-K))**

Bank Guarantee-i (BG-i)

Date: <to be completed by Relationship Manager>

1. What is the product about?

- Bank Guarantee-i is a written undertaking by the Bank to a third party to secure an obligation by the customer. The Bank provides assurances to pay certain sum of amount upon demand by the third party, in the event the customer fails to fulfil their obligation.

2. What is the Shariah concept that is applicable?

- The facility is structured based on Shariah concept of Kafalah.
- Kafalah, is described as a surety given by one party who agrees to discharge the liabilities of other party in the event the other party defaults in fulfilling its obligations. The Bank provides financial and/or non-financial guarantee on specific tasks or liabilities assumed by Customer to a Beneficiary (third party).
- Brief structure are as follows:

No	Description
i	Customer enters into a contractual agreement with the Beneficiary. To mitigate the breach of contract, Beneficiary may request for a security by Customer in the form of BG-i facility.
ii	Customer approaches the Bank to request for the BG-i facility. The Bank assesses the feasibility of the request and Customer's credit-worthiness.
iii	The Bank issues BG-i certificate to Beneficiary as per Customer's requirement, as a surety to discharge the liability of Customer in the event Customer defaults.
iv	In the event of default by the Customer with Beneficiary, Beneficiary will claim BG-i facility from the Bank. The Bank will make immediate payment on first demand provided the claims meet all conditions of the guarantee.
v	Customer is obligated to pay the Bank on the claimed amount together with late payment charges and other costs, if any.
vi	If there is no default, the Beneficiary will return the BG-i certificate to the Customer followed by the Bank's cancellation upon maturity.

3. What do I get from this product?

- Features of BG-i:

i.	Amount	:	Based on approval of the Bank's Approving Authority (AA)
ii.	Tenure	:	Up to the period of the project requirement with the option to extend the guarantee period.
iii.	Claim Period (Optional)	:	Serves as additional period for Beneficiary to claim from the Bank after maturity of the guarantee period.
iv	Liquidation	:	Customer is required to reimburse the claimed BG-i facility amount by the next day (T+1) the payment is being released to the Beneficiary (Based on approval of the Bank's AA)

4. What are my obligations?

You are required to:

- Pay the fees and charges timely before the issuance of BG-i facility and any other agreed obligations as stipulated under Facility Agreement and Security Documents.
- An illustration of BG-i fee:

Amount	:	RM 1,000,000.00
BG-i rates	:	1.5% per annum / 0.125% per month
BG-i fee calculation based on: $\text{Guaranteed Amount} \times \text{BG-i Fee (p.a)} \times \frac{\text{Facility Period (in months)}}{12 \text{ months}}$ $= \text{RM}1,000,000.00 \times 1.5\% \text{ p.a} \times (24 \text{ months}/12 \text{ months})$ $= \text{RM}30,000.00 \text{ (amount excludes government tax)}$		

- Upon liquidation of BG-i facility, Customer shall reimburse the Bank the next day the payment is being released to the Beneficiary. Failing which, Customer is subject to late payment charges.

Note: The above example is for illustration purposes only.

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

- Stamp Duties as per the Stamp Duty Act 1949 (Revised 1989)
- Legal and Disbursement Fees as per Solicitor's Remuneration Order including fees for registration of charge, land search, bankruptcy search, taxes and other charges as per the scale fees charged by the Solicitors (where applicable)
- Processing Fee and Administrative Fee (Not applicable to Small and Medium-sized Enterprise (SME) Customers)
- Valuation Fee as charge by the Valuer (if applicable)
- Transaction Fees for transaction of commodity as charged by commodity trading platform
- Sales & Services Tax (where applicable)

For details on the fees and charge, visit the Bank's website www.bpmb.com.my/fees-and-charge

6. What if I fail to fulfill my obligations?

- The Bank may impose a compensation (Ta'widh) charge on late payment and breach of undertaking (Wa'd) at the following rate:
 - i. Ta'widh at 1% per annum on the overdue instalment (where applicable) during the tenure of the facility.
 - ii. Ta'widh at 1% per annum or at the prevailing daily overnight of Islamic Interbank Money Market (IIMM) rate whichever is lower or other rates that Bank Negara Malaysia may specify against the outstanding Selling Price (subject to rebate (Ibra') if applicable) if the overdue continues beyond the maturity date of the facility.
 - iii. Penalty (Gharamah) at 0% per annum.
- Legal action may be taken by the Bank against you and your security parties (if any) if you fail to respond to reminder notices. It may affect your credit rating which may lead to credit difficulties or exorbitant.
- The Bank also retains the following rights:
 - i. Review: The Bank has the right to review the facility from time to time and to terminate the facility upon occurrence of any events of defaults as agreed in the terms and conditions of the facility.
 - ii. Bankruptcy/ Winding Up: The Bank has the right to initiate bankruptcy/ winding up proceedings upon occurrence of any events of defaults as agreed in the terms and conditions of the facility.

Note: The amount of late payment charges shall not be compounded and shall be applicable both before and after any judgement or order of a court.

7. Do I need to provide collateral or guarantor?

- Yes. Collateral is required as part of the security requirement for the financing which includes (but not limited to) the project assets, debenture, assignment of concession agreement / project account / guarantee etc. depending on the type of project and financing.
- Guarantor is required and shall be liable to the Bank as creditor in the event of any breach or default committed by the Customer being the principal debtor.

8. Do I need any Insurance / Takaful coverage?

- Insurance or Takaful coverage / policies against all risks acceptable to the Bank for the financing facility.

9. What are the major risks?

- Where any of the BG-i facility is called upon or liquidated for non-completion or non-compliance or whatsoever reason by the Beneficiary, you shall be liable to pay the claimed amount under the BG-i facility by the next day (grace period) of the date of liquidation.

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

- It is important that you inform us immediately of any change in your contact details to ensure that all correspondences reach you in a timely manner.
- To update your contact details, please contact your respective Relationship Manager or inform us in writing at:

Corporate Banking
Level 31, Menara Bank Pembangunan
Plaza Conlay, Jalan Conlay
50450 Kuala Lumpur
Email: enquiry@bpmb.com.my

11. Where can I get assistance and redress?

- For enquiries with regards to the facility, please contact us at:

Corporate Banking
Level 31, Menara Bank Pembangunan
Plaza Conlay, Jalan Conlay
50450 Kuala Lumpur
Email: enquiry@bpmb.com.my

- If you have any difficulties in making payments, you should contact us earliest as possible to discuss payment alternatives.

- 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:

Agensi Kaunseling dan Pengurusan Kredit (AKPK)
Level 5 & 6, Menara Bumiputra Commerce
Jalan Raja Laut 50350 Kuala Lumpur
Telephone: 1-800-88-2575
Email: services@akpk.org.my

- If you wish to file a complaint on the facility or services provided by the Bank, you may contact us at:

Corporate Communication
Level 29, Menara Bank Pembangunan
Plaza Conlay, Jalan Conlay
50450 Kuala Lumpur
Telephone: 03-2611 3888
Email: feedback@bpmb.com.my

- If your query or complaint is not satisfactorily resolved by the Bank, you may contact:

BNMTELELINK
Bank Negara Malaysia
P.O. Box 10922
50929, Kuala Lumpur
Telephone: 1-300-88-5465 / Overseas +603-2174 1717
Fax: +603-2174 1515
eLINK web form: <https://telelink.gov.my/>

12. Where can I get further information?

- Should you require additional information on the facility, please email us at enquiry@bpmb.com.my
- For more information on financing facility, please refer to the Bank's website at www.bpmb.com.my

13. Other similar products available.

- None.

IMPORTANT NOTE

LEGAL ACTION MAY BE TAKEN AGAINST YOU IF YOU DO NOT KEEP UP PAYMENTS ON YOUR FINANCING AND BREACH ANY AGREED TERMS AND CONDITIONS STIPULATED UNDER FACILITY AGREEMENT, SECURITY DOCUMENTS AND TRANSACTION DOCUMENTS.

The information provided in this product disclosure sheet is valid as at <JANUARY 2023>