

PRODUCT DISCLOSURE SHEET

<p>Please be reminded to read and understand this Product Disclosure Sheet before you decide to take up Letter of Credit-i. Be sure to also read and understand the final terms and conditions which will be documented in the form of Letter of Offer (“LO”) and/or Facilities Agreement. You are hereby reminded to always seek and obtain your own independent legal advice. Kindly seek clarification from AmBank Islamic Berhad’s authorised representative if you do not understand any part of this document or the general terms stated herein.</p>	<p>AmBank Islamic Berhad</p> <p>Letter of Credit-i</p> <p>Date: 01 September 2023</p>
<p>1. What is this product about?</p> <p>(a) Letter of Credit-i (“LC-i”) is a written undertaking (“Product” / “Facility”) issued by the Issuing Bank at the request of the Buyer/Applicant (“Customer”), to pay the Seller (“Beneficiary”) at sight or a determinable future date up to a stated sum of money, within a prescribed time limit upon presentation of stipulated documents that conform to the terms and conditions of the credit.</p> <p>(b) LC-i is governed by International Chamber of Commerce (ICC) Uniform Rules for Documentary Credits (UCP).</p>	
<p>2. What are the Shariah concepts applicable?</p> <p>LC-i is structured based on Shariah principle of <i>Wakalah</i> (agency) where AmBank Islamic (“the Bank”) is acting as an agent for the Buyer to issue LC-i to Seller. <i>Wakalah</i> refers to a contract in which a party mandates another party as an agent to perform particular task.</p>	
<p>3. What do I get from this product?</p> <p>(a) Issuance of LC-i is subject to Customer’s LC-i limit.</p> <p>(b) LC-i facility is offered in Ringgit Malaysia (“RM”) or foreign currencies acceptable by the Bank</p> <p>(c) On sight payment basis or deferred payment basis.</p> <p>(d) Payment to Beneficiary or acceptance of LC-i is only upon presentation of complying documents.</p> <p>(e) May arrange for financing under Accepted Bills-i(“AB-i”) Import/Purchase, Trust Receipt-i(“TR-i”), Invoice Financing-i (“IF-i”), or Foreign Currency Trade Financing-i (“FCTF-i”)(subject to Buyer’s Multi Trade Financing-i limit) to pay the Seller.</p>	
<p>4. What are my roles and obligations?</p> <p>(a) Ensure that the LC-i application is as per arrangement with your Seller and the terms and conditions in the LC-i should not include excessive details.</p> <p>(b) Ensure that the Seller is genuine and the underlying transaction is relevant to your nature of business and are Shariah-compliant.</p> <p>(c) You are required to pay the beneficiary on sight or accept the draft upon presentation of complying documents.</p> <p>(d) You are required to ensure your LC-i limit is active and adequate for utilisation.</p> <p>(e) You are required to ensure sufficient funds in your current account with us to debit the applicable fees and charges and payment to beneficiary.</p> <p>(f) Ensure to purchase marine cargo takaful/insurance coverage before issuance of LO if such is your obligation.</p> <p>(g) You are to ensure your assets/goods in the invoices are Shariah-compliant.</p> <p>(h) If LC-i documents are not in compliance to LC-i terms, advise the Bank promptly whether to accept or reject the discrepancies within 3 banking days from the notice of discrepancies issued by the Bank.</p>	

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

No.	Description	Pricing / Rate
1	Opening Commission	As per LO
2	LC-i amendment - Extension of expiry date / increase in amount	The rate of Opening Commission as per LO per month or part thereof for the extended period/ incremental value. Min.RM50 <u>Note:</u> If amendment involving incremental in LC-i amount, commission will be calculated on the amended amount from the original issuance date less commission collected
3	Acceptance commission on Usance Credits	The rate of Opening Commission as per LO per month or part thereof Min: RM50
4	Import Bills under LC-i	<u>Drawing against expired LC-i</u> <ul style="list-style-type: none"> The rate of Opening Commission as per LO per month or part thereof from LC-I expiry date to LC-i drawing date. Min: RM100 <u>Drawing against excess of LC-i amount (will only be charged upon customer accepting the discrepancy)</u> <ul style="list-style-type: none"> The rate of Opening Commission as per LO per month or part thereof from LC-i issuance date to drawing date based on the excess amount. Min: RM100
No.	Type of Fees and Charges	Tariff
1	LC-i amendment - other than extension of expiry date / increase in amount	RM50 flat
2	Cancellation / non utilization of LC-i – Handling fee	RM50 flat
3	Direct presentation of documents from beneficiary (Inward Bill)	0.1% of invoice value (to be charged to beneficiary's or applicant's account depending on LC-i terms). Min: RM50 Max: RM100 (FCY bill); RM300 (RM bill) Checking fee: RM30
4	Commission in lieu of Exchange on Foreign Currency bills settled in Foreign Currency	0.1% on invoice value. Min: RM50 Max: RM300
5	SWIFT / Telex charge for transmission of LC text	Issuance: <ul style="list-style-type: none"> Within Malaysia: RM40 flat Outside Malaysia: RM100 flat Amendment <ul style="list-style-type: none"> Within Malaysia: RM20 flat Outside Malaysia: RM50 flat
6	SWIFT Charges	For customer's account <ul style="list-style-type: none"> Within Malaysia: RM20 flat Outside Malaysia: RM40 flat For foreign counterparty's account - USD20 equivalent
7	RENTAS Payment / Interbank GIRO	RM2 flat
8	Postage / Registered post	<ul style="list-style-type: none"> Within Malaysia: RM5 flat Outside Malaysia: RM20 flat
9	Courier Services	<ul style="list-style-type: none"> Within Malaysia: RM15 flat Outside Malaysia: Subject to destination
10	Stamp Duty	As per Stamp Duty Act 1949 (Revised 1989)

The fees and charges are exclusive of any taxes, including but not limited to, goods and services tax, value added tax, consumption tax, consumer tax, indirect tax, service tax, sales tax, duties, levies or any other taxes ("Taxes") which may now be or hereafter be imposed by the Government of Malaysia.

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<p>6. What if I fail to fulfill my obligations?</p> <p>(a) Unpaid LC-i that is due will be paid via Inward Bill Advanced (IBA) or other relevant trade financing facilities available with the Bank to fulfil the payment undertaking under the LC-i.</p> <p>(b) If you do not have sufficient funds to settle any presentation against the LC-i, the Bank shall charge prevailing Islamic Interbank Money Market (“IIMM”) rate for the overdue amount up to the date of full settlement.</p> <p>(c) The Bank will suspend utilization of the credit facility(ies) granted to you.</p> <p>(d) The Bank may exercise its right and start its recovery process/legal action, including but not limited to bankruptcy/ winding up proceedings (if the outstanding amount reaches a certain limit). Repercussions of being adjudged a bankrupt/ wound up may result in the freezing and confiscation of your assets.</p> <p>(e) Legal action against you may affect the credit rating leading to credit being more difficult or expensive.</p> <p>(f) If you do not maintain sufficient funds in your current account for the Bank has a right to utilise any credit balance in your account(s) maintained with us to settle outstanding amount under any facilities with AmBank Islamic. The set-off amount shall be notified to you prior to the set-off being affected.</p>
<p>7. What if I fully settle the facility before its maturity? Not applicable.</p>
<p>8. Do I need any takaful coverage? Not applicable.</p>
<p>9. What are the major risks?</p> <p>(a) Payment to Beneficiary or acceptance of LC-i is only upon presentation of complying documents and no verification of quality and quantity of goods.</p> <p>(b) For international trade transaction, currency exchange rate may different at the point of buyer and seller contracting the sale and at the point of payment of the contract and result in loss due to currency fluctuation.</p>
<p>10. Do I need a guarantor or collateral?</p> <p>(a) A guarantor(s) is to be provided if required.</p> <p>(b) Collateral is to be provided if required and must be acceptable to the Bank.</p> <p>Note: The requirements above are depending on your creditworthiness.</p>
<p>11. What do I need to do if there is change(s) to my contact details? It is important that you inform us of any change in your contact details to ensure all correspondences reach you in a timely manner. For assistance, you may contact / notify in writing to your respective Relationship Manager.</p>
<p>12. Where can I get assistance and redress?</p> <ul style="list-style-type: none"> If you wish to complain on the products or services provided by us, you may contact us at: <div style="display: flex; justify-content: space-around;"> <div data-bbox="224 1291 776 1465" style="border: 1px solid black; padding: 5px; width: 45%;"> <p style="text-align: center;">AmBank Islamic Contact Centre P.O Box No. 12617, 50784 Kuala Lumpur Tel: (603) 2178 8888 Email: customercare@ambankgroup.com</p> </div> <div data-bbox="906 1270 1464 1480" style="border: 1px solid black; padding: 5px; width: 45%;"> <p style="text-align: center;">Blok D, Bank Negara Malaysia, Jalan Dato’ Onn, 50450 Kuala Lumpur. Tel: 1-300-88-5465 Fax: 03-2174 1515 Website: bnmlink.bnm.gov.my</p> </div> </div> <ul style="list-style-type: none"> If your query or complaint is not satisfactorily resolved by us, you may contact Bank Negara Malaysia LINK at: <ul style="list-style-type: none"> 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: <div data-bbox="548 1627 1117 1837" style="border: 1px solid black; padding: 5px; margin: 10px auto; width: 60%; text-align: center;"> <p>Level 5 & 6, Menara Aras Raya (Formerly known as Menara Bumiputera Commerce) Jalan Raja Laut, 50350 Kuala Lumpur Tel: 03-2616 7766 E-mail: enquiry@akpk.org.my</p> </div>

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13. Where can I get further information? For details of benefits, fees and charges, you can visit www.ambankgroup.com	
14. Other Islamic trade products available: <ul style="list-style-type: none"> • Trust Receipt-i • Accepted Bills-i • Invoice Financing-i • Foreign Currency Trade Financing-i • Domestic Recourse Factoring-i • Confidential Factoring-i • Sales Ledger Maintenance-i • Back-to-Back Factoring-i 	<ul style="list-style-type: none"> • Outward Bills Purchased-i • Export Credit Refinancing-i • Credit Bill Negotiation-i • Bank Guarantee-i • Standby Letter of Credit-i • Shipping Guarantee-i • Inward Bills for Collection-i • Outward Bills for Collection-i
IMPORTANT! YOUR COLLATERAL MAY BE LIQUIDATED IF YOU DO NOT KEEP UP WITH YOUR PAYMENTS	
The information provided in this product disclosure sheet is valid from 01 September 2023 until the next update. Kindly visit www.ambankgroup.com for the latest information.	
All calculations and rates above are for illustration purpose only. Terms and conditions apply.	
<i>Disclaimer: The actual amount of LC-i facility to be provided by AmBank Islamic Berhad is dependent upon your credit evaluation by AmBank Islamic Berhad. The transmission of this Product Disclosure Sheet to you does not create any obligation by AmBank Islamic Berhad to grant you any facilities.</i>	

I /We duly acknowledge that the key contract terms and my/our financial obligations under this financial product had been adequately explained to me by the authorised representative of AmBank Islamic Berhad.

 Name:
 NRIC No:
 Date:

Or

For and on behalf
 Registration No:

 (Authorised signatory/ Director)
 Date: