

ANNEXURE I

1. THE BANKING FACILITY(IES)

The banking facility(ies) granted or to be granted to you ("Banking Facility"), under Flexible Trade Financing-i ("FTF-i"), shall be a combined and interchangeable limit from your current limit provided that the total utilization shall not exceed the limit expressed at any one time.

2. PURPOSE

The Banking Facility shall be used solely to provide extension of additional 6 months tenure (Deferment Period) for any trade bills maturing within the stipulated time line as per our official communication as a financial relief assistance for businesses to brace for any economic impact resulting from Covid-19 Outbreak. During this Deferment Period, Customers do not need to make any payment of matured bills. Profit will continue to accrue on financing payments that are deferred and customers will need to honour the deferred payments upon expiry of the Financing Extension Period in a manner stated below.

To facilitate this, all qualified trade bills as per our notice, by default, be automatically converted under the Banking Facility. If you require to use the Banking Facility or any part thereof for any other purpose, you shall have to first obtain the Bank's prior written consent which may or may not be granted at the Bank's absolute discretion, and if granted may be subject to such conditions as the Bank may impose.

3. NATURE OF FINANCING

The Bank agrees to grant to you the Banking Facility wherein the facility amount will be disbursed in accordance with the following Shariah principles:-

Facility	Shariah Principle	Description
FTF-i	Commodity Murabahah via Tawarruq	This involves two sale and purchase of commodity contracts. The first is the sale of a commodity by a seller (the Bank) to a purchaser (the Customer) (through his agent) at cost plus profit on a deferred basis. Subsequently the Customer (through his agent) will sell the same commodity to a third party on a cash and spot basis.
	Wakalah	Wakalah refers to a contract where a party (the Customer), as principal (muwakkil) authorizes another party (the Bank) as his agent (wakil) to perform a particular task on his behalf

To effect the conversion of any matured bills as stipulated in the Extension of COVID-19 Financial Relief Assistance Letter to FTF-i, the disbursement proceeds of the Banking Facility shall be utilized to settle the outstanding amount under the matured bills and which shall give set-off effect.

4. APPOINTMENT OF BANK AS AGENT

4.1 Unless otherwise informed by the Customer of his/her disagreement within the stipulated time given, the Bank is deemed authorized and appointed as the Customer's sole and exclusive agent and is authorized to delegate its rights and duties as such agent herein to any third party under agency (Wakalah) contract to act on the Customer's behalf to complete the commodity trade transaction as stipulated under item 5 (Mode of Financing) below.

4.2 This agency appointment shall not be revoked as long as the Banking Facility remains available. All actions by the Bank as the agent on the Customer's behalf shall remain binding on the Customer and not be affected by any event taking place which may have the effect of revoking this appointment unless the Bank has actual knowledge of such event. In consideration of the Bank acting as the Customer's agent, the Customer shall indemnify the Bank against all costs, losses, claims, damages, actions, liabilities and expenses that is possibly made and carried at any time by any third parties to any parties or the Bank due to this appointment.

5. MODE OF FINANCING

5.1 FTF-i

- (a) Utilization of FTF-i shall be affected by way of commodity trade transactions below.
- (b) As the Customer's agent, the Bank will initiate commodity trading with a commodity broker ("broker A") on immediate payment term for the purchase of a specified commodity at a purchase price which is equivalent to the Total Limit.
- (c) Upon the Bank taking delivery of the commodity from broker A, the Bank shall issue an offer to sell the commodity at a marked-up price and on deferred payment basis ("Deferred Sale Price") to the Customer. Subsequently, the Bank acting on Customer's behalf will accept the offer made and delivery of the commodity. Thereafter the Bank still acting as Customer's agent shall sell the commodity to broker B in the sum equivalent to the Total Limit.
- (d) The commodity shall be Shariah-compliant commodities which exclude ribawi items in the category of medium of exchange such as currency, gold and silver and acceptable by the Bank on an "as is where is" basis, without any representations or warranties from the Bank as to the quality, condition, quantity and description and without liability on the part of the Bank for any loss, damage or deterioration.
- (e) Both the Customer and the Bank acknowledge that the commodity shall be capable of physical delivery. The customer may request for physical delivery of the commodity provided that the Bank has received such request upon submission this application. All costs and expenses related to the delivery of the commodity shall be borne and paid by the customer. In the event the Bank does not receive such request, the Bank is expressly authorized

by the customer to dispose of the commodity at such time and in such manner as the Bank may decide and the customer shall reimburse and pay the Bank all losses, damages, costs and expenses incurred or sustained by the Bank on account thereof in full.

6. FEE(S)/ COMMISSIONS/PRICE/PROFITS

6.1 Brokerage Fee

You shall be required to pay Brokerage Fee for the Commodity Transaction payable in the manner and at the time determined by the Bank.

The Brokerage Fee payable by you for the Commodity Transaction is as per table below:-

- (i) For SME/Non-SME – RM25.00 per million or RM60.00 min (The Bank will absorb 50% brokerage fee for SME customers);
- (ii) For Corporate – RM35.00 per million or RM100.00 min.

The Customer shall pay to the Bank, in the manner and at the time determined by the Bank, the Brokerage Fee. Alternatively, the Bank is authorized by the Customer to deduct the Brokerage Fee from the Customer's Account.

6.2 Handling Fee

For FTF-I, a handling fee of Ringgit Malaysia Fifty (RM50.00) flat per transaction will be chargeable.

The Customer shall pay to the Bank, in the manner and at the time determined by the Bank, the Handling Fee. Alternatively, the Bank is authorized by the Customer to deduct the Handling Fee from the Customer's Account.

6.3 The following price, profit, commission, and other charges may be payable in relation to the FTF-i:-

No	Price/Commission/Fees/Profit Rate as may be applicable	Details
1.	Deferred Sale Price	The Deferred Sale Price shall consist of a cost or purchase price ("Purchase Price" which is equivalent to the Total Limit) and a marked-up profit ("Murabahah Profit") calculated for a Murabah period of five (5) years ("Murabahah Period") which shall be paid in the following manner; <ul style="list-style-type: none"> (a) Murabahah Profit: one lump sum at the end of the Deferment Period or such other agreed term as informed by the Bank throughout the applicable Deferment Period; and (b) Purchase Price: one lump sum at the end of the Deferment Period
2.	Murabahah Profit:	<ul style="list-style-type: none"> (a) The Murabahah Profit which forms part of the Deferred Sale Price shall be an amount equivalent to 12% per annum on the full Purchase Price applicable for the entire duration of the Murabahah Period ("Contracted Profit Rate"). (b) For purposes of granting Ibra' on the Murabahah Profit pursuant to Clause 9 of this Annexure I, the profit rate used for the computation of the profit payable throughout the Murabahah Period shall be equivalent to the rate stipulated in item 8 of the <i>Notification of Moratorium on Repayment/ Payment of Trade Bills</i> on the outstanding Purchase Price applicable for the entire duration of the Murabahah Period ("Effective Profit Rate").

6.4 Whenever any service and/or supply made under the *Notification of Moratorium on Repayment/ Payment of Trade Bills* inclusive but not limited to any fee, price, value, and/or revenue is a taxable supply to which the Services Tax ("ST") and/ or any applicable taxes that may be imposed by the relevant authorities at any time and from time to time throughout the subsistence of the Banking Facility would apply, then the Bank reserves the right to levy ST and/ or any taxes that may be imposed at any time and from time to time at the prescribed rate and the recipient of the service agrees to pay the amount of ST.

6.5 Profit and commission at the aforesaid rate(s) or as otherwise determined by the Bank ("the Prescribed Rate" which expression shall refer to the respective profit and commission chargeable on the respective facilities comprised under the Banking Facility) and such other charges or rental as may be applicable and payable, shall be payable by you after, as well as before, any judgment obtained against you or demand made against you.

7. COMPENSATION (TA'WIDH) PAYABLE ON THE BANKING FACILITY

7.1 The amount of such compensation shall not be compounded on the Banking Facility amount.

7.2 The Customer shall be liable to pay the Bank's compensation for any failure on your part to pay any amount overdue upon expiry of the Deferment Period, you shall pay compensation charges to the Bank at the compensation rate that shall not exceed BNM's prevailing Islamic Interbank Money Market Rate on the outstanding balance that comprise of the outstanding Purchase Price and outstanding Murabahah Profit;

7.3 The amount of such compensation shall not be compounded on the Banking Facility amount.

7.4 The compensation at the aforesaid rate shall be payable by the Customer after as well as before any judgment or order of court.

8. **SECURITY**

- 8.1 The securities provided under the existing facilities as stated in the Letter(s) of Offer shall be extended to cover the Banking Facility pursuant to this annexure.

9. **REBATE (IBRA')**

- 9.1 The Bank shall grant Rebate (Ibra') on any amount payable by you in respect of any payment due under the Banking Facility and / or security documents in any of the following situations:

- i) any early settlement or early redemption by the Customer including prepayment;
- ii) any settlement of the Banking Facility due to any financing restructuring exercise by the Customer;
- iii) any settlement by the Customer upon occurrence of the Event of Default;
- iv) any settlement by the Customer in the event of termination or cancellation of the Banking Facility before the expiry of the Facility Period / Grace Profit Period (if applicable); and
- v) on the difference between the Contracted Profit Rate and Effective Profit Rate when the Effective Profit Rate is lower than the Contracted Profit Rate.

Rebate (Ibra') = *Remaining Unearned Profit – **Early Settlement Charges (if any).

**Remaining Unearned Profit is equal to unrealised profit at the time of full settlement*

****Early Settlement Charges** = [Principal Outstanding x (Remaining Tenure/No. of days / months in a year) x (Cost of Fund – Reinvestment Rate)] + Unwinding cost for Islamic Profit Rate Swap (if any).

For this purpose, Cost of Fund refers to cost for the Bank to provide financing facility to you which is varied depending on tenure and amount. Reinvestment rate refers to prevailing market rate based on remaining tenure of the financing. The unwinding cost for Islamic Profit Rate Swap is applicable for variable rate only.

- 9.2 The calculation of Rebate (Ibra') shall be made in accordance with any rules, regulations and/or directives (whether or not having the force of law) required of or imposed upon the Bank from time to time and at any time by Bank Negara Malaysia or any other authority having jurisdiction over the Bank.

- 9.3 The Rebate (Ibra') shall only be deemed granted upon receipt of the settlement sum as determined by the Bank.

10. **AMENDMENT AND/OR ADDITIONAL TERMS AND CONDITIONS**

- 10.1 The Bank may at any time hereafter at your request or at the Bank's absolute discretion grant additional Banking Facility to you and/or convert and/or vary and/or substitute and/or revise all or any of the Banking Facility hereby granted into another banking facility or facilities and/or cancellation of and, in any such event, the security liability and or obligations created pursuant to and by the Letter(s) of Offer shall continue to be valid and binding for all purpose whatsoever up to the limit of the total Banking Facility advanced to you notwithstanding such addition or change before-mentioned but subject to such variations as shall be made known by the Bank to you and or implied by law or trade usage governing or applicable to the addition and/or changes as aforesaid.

ANNEXURE II

1. TERMS AND CONDITIONS RELATING TO FLEXIBLE TRADE FINANCING-i FACILITY ("FTF-i FACILITY")

- (a) Only Halal / Shariah permissible bills/invoice/goods are allowed to be transacted for the purpose.
- (b) The underlying transaction must be a bona fide transaction and relates to your trade business and the original invoice together with all other relevant supporting documents relating to the transaction presented to the Bank must not be more than six (6) months from the invoice date.
- (c) You confirm that no other form of financing for the underlying transaction shall have been or will be obtained by you in respect of the same.
- (d) Upon maturity of the financing the Bank shall be at liberty to debit any of your accounts with the Bank with the amount due together with accrued profit thereon and all other charges relating thereto upon expiry of seven (7) days prior notice and you shall ensure that sufficient funds are available in your accounts for such debiting. The commodity trade transaction may be conducted upon expiry for renewal to avail the utilization of the line to you.
- (a) You shall indemnify and keep the Bank indemnified against any claims, losses, damages, costs, expenses and liabilities of whatever nature which the Bank may incur, suffer or sustained by reason of the Bank financing the said transaction save for negligence or gross misconduct attributable to the Bank. In the case where you are two or more persons your liabilities shall be joint and several.