

Product Disclosure Sheet – Shipping Guarantee-i

<p>PRODUCT DISCLOSURE SHEET</p> <p>Please read this Product Disclosure Sheet before you decide to accept the Shipping Guarantee-i Facility. Be sure to read the terms and conditions in the letter of offer. Seek clarification from Bank Islam if you do not understand any part of this document or the general terms.</p>	<p>Bank Islam Malaysia Berhad</p> <p>Shipping Guarantee-i (SG-i)</p> <p><Date></p>
<p>1. What is Shipping Guarantee-i facility?</p>	
<p>✓ Shipping Guarantee-i is a facility where the Bank indemnifies and guarantees the shipping company for the release of goods to the Buyer/ Importer without the presentation of the original <i>Bill of Lading</i>. It can be defined as a surety provided by a party to the Owner of the goods, who had placed or deposited his goods with the shipping company, whereby any subsequent claim by the Owner for his goods must be met by the Guarantor.</p> <p>✓ This product is offered to you if you have the Letter of Credit-i facility with Bank Islam. Kindly refer to the PDS on Letter of Credit-i for information on the product.</p>	
<p>2. What is the Shariah concept applicable?</p>	
<p>✓ The Shariah concept used is <i>Kafalah (Guarantee)</i> with <i>Ujrah (Fee)</i>, a contract where the Bank (Guarantor) guarantees any claim, debt or obligation that should be fulfilled by a Debtor, Supplier or Contractor. In the event that the Debtor, Supplier or Contractor fails to fulfill his obligations, the Guarantor is responsible to fulfill such obligations. The Bank will charge a fee for the issuance of Shipping Guarantee-i.</p>	
<p>3. What do I get from this product?</p>	
<p>✓ Total amount guaranteed</p>	<p>Up to 100% of the amount claimed by the shipping company</p>
<p>✓ Tenure</p>	<p>No tenure involved</p>
<p>✓ Bank's effective commission rate</p>	<ul style="list-style-type: none"> • 0.1% flat on the amount of the invoice with min of RM100.00 • 0.5% per annum on the amount of the invoice if the guarantee is not returned within 3 months from the date of issue with minimum of RM50.00
<p>4. What are my obligations?</p>	
<p>✓ Upon arrival of original <i>Bill of Lading</i>, you need to return the SG-i for redemption within 3 months from the date of issuance of the SG-i.</p>	
<p>5. What are the fees and charges that I have to pay?</p>	
<p>✓ Stamp Duty [as per Stamp Duty Act 1949 (Revised 1989)]</p> <p>✓ Fees and Commission</p> <p>✓ Postage and Courier (if any)</p>	
<p>Note: Please refer to our website at www.bankislam.com.my for further details on fees and charges.</p>	
<p>6. What if I fail to fulfill my obligations?</p>	
<p>✓ Should you fail to fulfill your obligation in a timely manner, the following shall apply:</p> <ul style="list-style-type: none"> • Event of Default 	

- a) In the event of default of payment, the Bank may by written notice to you, demand for immediate payment of amount overdue from you and/ or the guarantor.
- b) The Bank has the right to set-off any credit balance in your deposit and/ or investment account which is maintained with the Bank against any overdue payment under this facility.
- c) Legal action will be taken if you fail to respond to the reminder notices. Any security pledged to the Bank (such as property, machinery, etc.) may be foreclosed/ repossessed and you are to bear all costs incurred in the disposal of the asset. You are also responsible to settle any shortfall after the asset is sold.
- d) Legal action against you may affect your credit rating leading to any future credit assessment being more difficult or expensive to you.
- e) Trigger of cross default of other facilities with the Bank or any other financial institutions.

- **Late Payment**

The Bank shall impose *Ta'widh* (compensation) against you as follows (where applicable):

- a) Before maturity of the facility.
A sum equivalent to one per centum (1%) per annum on overdue installment(s) until date of full payment.
- b) After maturity of the facility.
A sum equivalent to the prevailing daily overnight Islamic Interbank Money Market Rate on outstanding balance i.e. outstanding Sale Price less *Ibra'* (if any).
- c) Post judgment debt.
A sum equivalent to the prevailing daily overnight Islamic Interbank Money Market Rate on basic judgment sum calculated from judgment date until date of full payment.

Note: The imposition of *Ta'widh* shall be in such manner as approved by Bank Negara Malaysia from time to time.

7. Do I need to take up Takaful coverage?

- ✓ No, you do not have to take up Takaful coverage for this facility.

8. What are the major risks?

- ✓ There is no major risk since the facility is short term in nature and the rate is fixed for the whole tenure.

9. What do I need to do if there are changes to my contact detail?

- ✓ It is important for you to immediately inform us of any changes in your contact details to ensure that all correspondences reach you in a timely manner.

10. Where can I get assistance and redress?

- ✓ If you have difficulties in servicing the payments, you should contact us earliest possible to discuss the payment options. You may contact us at:

Trade Operations

Bank Islam Malaysia Berhad

13th Floor, Menara Bank Islam

No 22, Jalan Perak,

50450 Kuala Lumpur

Tel: 03-2782 1078/ 1089/ 1087/ 1086

Fax: 03-2782 1346/ 1347/ 1348

- ✓ If you wish to complaint on the products or services provided by us, you may contact us at:

Bank Islam Contact Center

17th Floor, Menara Bank Islam,
No. 22, Jalan Perak,
50450 Kuala Lumpur.
Tel: 03-26 900 900
Email: contactcenter@bankislam.com.my

- ✓ If the query or complaint is not satisfactorily 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: 03-2174 1515
Email: bnmtelelink@bnm.gov.my

11. Where can I get further information?

- ✓ Should you require additional information about this product, please refer to our branches or contact:

Bank Islam Contact Center
17th Floor, Menara Bank Islam,
No. 22, Jalan Perak,
50450 Kuala Lumpur.
Tel: 03-26 900 900
Email: contactcenter@bankislam.com.my
www.bankislam.com.my

12. Other trade facility packages available?

- ✓ Bank Guarantee-i
- ✓ Letter of Credit-i
- ✓ Standby Letter of Credit-i
- ✓ Trade Working Capital Financing-i (Purchase)
- ✓ Trade Working Capital Financing-i (Sales)

IMPORTANT NOTE: LEGAL ACTION MAY BE TAKEN AGAINST YOU IF YOU DO NOT KEEP UP PAYMENTS OF YOUR FACILITY.

The information provided in this product disclosure sheet is valid as at June 2018.