

<p><b>PRODUCT DISCLOSURE SHEET</b></p> <p>(Read this Product Disclosure Sheet before you decide to take up the Bank Guarantee-i. Be sure to also read the general terms and conditions. Seek clarification from us if you do not understand any part of this document or general terms).</p>	<p><b>United Overseas Bank (Malaysia) Bhd</b> (Company No. 271809-K)</p> <p><b>Product: Bank Guarantee-i</b> <b>Date:</b></p>
<p><b>1. What is this product about?</b></p>	
<p>A written undertaking by UOB at the request of the applicant (yourself), in favor of a third party (the beneficiary) guaranteeing payment or provide assurances of the applicant's ability to perform under the terms of a contract between the beneficiary.</p>	
<p><b>2. What is the Shariah concept applicable?</b></p>	
<ul style="list-style-type: none"> <li>• The Shariah concept applicable for BG-i is <b>Kafalah</b>.</li> <li>• <b>Kafalah</b> can be defined as a surety given by the first party who agrees to discharge a liability of a third party in case the second party defaults in fulfilling his obligation.</li> </ul>	
<p><b>3. What do I get from this product?</b></p>	
<p>A guarantee on specific liability required by contract awarder / third party in fulfilling the contract.</p> <p>Specific Bank Guarantee-i based on Kafalah to meet your requirements as follows:</p> <ul style="list-style-type: none"> <li>• <b>Tender/Bid Bond</b> <ul style="list-style-type: none"> <li>- support of the customer's bidding/tendering on a project</li> <li>- covers risk of seller withdrawing bid, fail to accept a contract if awarded</li> <li>- fail to provide performance bond</li> <li>- typically 2% - 5% of contract value</li> <li>- duration of 3 – 6 months</li> </ul> </li> <li>• <b>Advance Payment Guarantee</b> <ul style="list-style-type: none"> <li>- support of advance payments when the Contractor who has been awarded the project begins work</li> <li>- usually required for materials, startup costs or general working capitals</li> <li>- from 10% of contract value upwards</li> <li>- until date of contractual delivery being made</li> </ul> </li> <li>• <b>Performance Guarantee</b> <ul style="list-style-type: none"> <li>- support of the customer's obligation to fulfill a contractual commitment in accordance with the terms and conditions of the contract</li> <li>- Normally given upon successful of a tender</li> <li>- Typically 10% of contract value</li> <li>- Until completion of performance</li> </ul> </li> <li>• <b>Warranty Maintenance Guarantee</b> <ul style="list-style-type: none"> <li>- given in support should the Contractor fail to honor "Warranty" obligation (during the maintenance or defects liability period)</li> <li>- Typically 5% of the contract value</li> <li>- Until defect liability period</li> </ul> </li> </ul>	

- **Retention Guarantee**
  - support of contract which requires a certain percentage of payment to be withheld until the project is completed and accepted by contracting buyer
  - claim in the event contractor is unable to fulfill his obligations
  - typically 5% of contract value
  - Until final verification of satisfactory of performance
  
- **Custom Bond**
  - This type of guarantee is only issued to the Custom Department. For instance, a forwarding agent is required to furnish to the Custom Department a custom bond to guarantee the good behaviour of its employees.

**4. What are my obligations?**

- Adhere to terms and conditions governing Islamic trade credit facilities granted by UOB as defined in the Letter of Offer, General Standard Terms and Conditions Governing Islamic Financing Facilities or application forms.
- Pay UOB upon demand of money.

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

Fees and Charges	Amount (RM)	
<ul style="list-style-type: none"> <li>• Commission</li> </ul>	<b>Type of Charges</b>	<b>Amount (RM)</b>
	Issuance Commission	From 0.1% per month or part thereof, inclusive of any claim period with minimum of RM100, whichever is higher.
	Amendment Commission (Amount / Tenure)	From 0.1% per month or part thereof, with minimum of RM100, whichever is higher.
	Non-Return of Bank Guarantee-i (3 months after expiry / claim date)	From 0.1% to 0.125% per month or 1.5% per annum on the guaranteed amount or RM100, whichever is higher.
<ul style="list-style-type: none"> <li>• Stamp Duties</li> </ul>	<ul style="list-style-type: none"> <li>• As per the Stamp Duty Act 1949 (Revised 1989)</li> </ul>	
	<b>Type of Charges</b>	<b>Amount (RM)</b>
	Facility Agreement	Ad Valorem
	Other Security Document	
	<ul style="list-style-type: none"> <li>➤ Letter of Offer</li> <li>➤ Original Bank Guarantee</li> <li>➤ Letter of Indemnity</li> </ul>	<ul style="list-style-type: none"> <li>Nominal; RM10</li> <li>Nominal; RM10</li> <li>Nominal; RM10</li> </ul>
<ul style="list-style-type: none"> <li>• Rentas</li> </ul>	<ul style="list-style-type: none"> <li>• RM9</li> </ul>	
<ul style="list-style-type: none"> <li>• Swift</li> </ul>	<ul style="list-style-type: none"> <li>• RM50</li> </ul>	
<ul style="list-style-type: none"> <li>• Cable Charges</li> </ul>	<ul style="list-style-type: none"> <li>• RM50</li> </ul>	
<ul style="list-style-type: none"> <li>• Other charges</li> </ul>	<ul style="list-style-type: none"> <li>• Please refer to our Letter of Offer and the Bank's Corporate website at <a href="http://www1.uob.com.my">www1.uob.com.my</a> for details</li> </ul>	

Please request from your Relationship Manager for the Bank's Standard Charges on Islamic Trade Finance products and Services or retrieve it from our corporate website.

If there are any changes in fees and charges that are applicable to your financing facility, the Bank will notify you at least 21 calendar days prior to the effective date of implementation.

Illustration: Guarantee Amount : RM10,000	BG-i Fees: 1.5% p.a. on the value of the Guarantee Letter.
	Guarantee Period: 12/18/24/36 months (Depends on Contract amount and tenure including claim period defect liability period as specified in Letter of Award) from issuance date or contract period whichever earlier.

The above example is only for illustration. The illustration may not show the specific circumstances or obligations of each BG-i.

## 6. What if I fail to fulfill my obligations?

Should you fail to service your payment obligation in a timely manner, the following shall apply:

- Your BG-i Facility may be cancelled.
- The Bank has the right to charge additional fee for non-return of original instrument.
- You will need to pay all additional costs, charges and expenses incurred until BG-i Facility is fully paid.
- We will utilize your BG-i as claimed by the contract awarder/third party and you must compensate the Bank equivalent to the amount paid within 7 working days.
- The Bank may charge Ta'widh (compensation) on advances against guarantee if you fail to make payment due to the Banks, as follows:
  - for any failure on your part to pay any amount overdue and which failure continues beyond the tenure of the BG-i or after judgment is obtained against you (whichever is earlier), at such rate per annum as determined by the Bank from time to time provided that the applicable compensation rate shall not at any time exceed the prevailing Bank Negara Malaysia's (BNM) Islamic Interbank Money Market (IIMM) Rate on the total outstanding balance of the BG-i calculated on daily rest basis; and

### Compensation charges

Default payment which exceeded the maturity date	$\frac{\text{Outstanding Balance} \times \text{IIMM Rate} \times \text{No. of Days Overdue}}{365}$
	Note: <b>IIMM</b> = Islamic Interbank Money Market

- the amount of such compensation shall not be compounded; or
- by any other method approved by the Shariah Advisory Council of BNM.
- If your account remains unpaid, it shall be classified as Non-Performing Financing (NPF). This will affect your further utilization of other banking facilities with the Bank.
- **Right to set-off**  
The Bank is entitled to set-off any credit balance in your deposit maintained with the Bank against any outstanding financing amount and the Bank will inform you at least 7 calendar days in advance of the intention to set-off.
- **Legal Action**  
Legal action will be taken if you fail to respond to reminder notices. The security may be enforced and all costs will be borne by you. The Bank reserves the right to commence recovery, foreclosure and bankruptcy proceedings. You are also responsible to settle any shortfall after the security is disposed.

## 7. What if I fully settle the financing before its maturity?

- Not applicable. This is not financing product.

**8. Do I need any Takaful coverage?**

- Yes. When applicable, you and/or your supplier are to adequately procure, maintain and assign to the Bank any takaful or insurance coverage from such takaful operators or insurance companies acceptable to the Bank.

**9. What are the major risks?**

- Request for payment against BG-i facility is upon presentation of written demand by the beneficiary without UOB determining that default has actually happened by the applicant.
- Bank may liquidate your security/collateral towards settling the payment as claimed by the contract awarded/third party.

**10. 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.
- Please inform us of any change in your contact details to the nearest UOB branch or contact your UOB Relationship Manager.

**11. Where can I get assistance and redress?**

- If you have difficulties in making settlement, please contact the Bank earliest possible to discuss settlement alternatives. You may contact your UOB Account Relationship Manager or send an E-mail to us at [uobcustomerservice@uob.com.my](mailto:uobcustomerservice@uob.com.my) or contact us at Tel No. Kuala Lumpur 603 - 2612 8121; Penang 604 - 2401 121; Johor Bahru 607 - 2881 121; Kuching 082 - 287 121 or Kota Kinabalu 088 - 477 121
- 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 and debt restructuring for individual. You can contact AKPK at Maju Junction Mall, Tingkat 8, 1001 Jalan Sultan Ismail, 50250 Kuala Lumpur (Tel: 03-26167766 or E-mail at [enquiry@akpk.org.my](mailto:enquiry@akpk.org.my))
- If you wish to complain on the products or services provided by the Bank, you may E-mail us at [uobcustomerservice@uob.com.my](mailto:uobcustomerservice@uob.com.my) or contact us at Tel No. Kuala Lumpur 603 - 2612 8121; Penang 604 - 2401 121; Johor Bahru 607 - 2881 121; Kuching 082 - 287 121 or Kota Kinabalu 088 - 477 121
- If your 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 (Tel:1-300-88-5465; Fax: 603 - 2174 1515; E-mail at [bnmtelelink@bnm.gov.my](mailto:bnmtelelink@bnm.gov.my))

**12. Where can I get further information?**

- Should you require additional information on our products, please visit us at the nearest UOB branch, email at [tradecustomerservice@uob.com.my](mailto:tradecustomerservice@uob.com.my) or logon to [www1.uob.com.my](http://www1.uob.com.my) for more information.
- If you have any enquiries, please call our 24-hour UOB 121 Phone Banking at:

Kuala Lumpur	(6) 03 - 26128 121
Penang	(6) 04 - 2401 121
Johor Bahru	(6) 07 - 2881 121
Kuching	(6) 082 - 287 121
Kota Kinabalu	(6) 088 - 477 121

**13. Other Trade facilities available?**

- Letter of Credit-i
- Trust Receipt-i
- Accepted Bills-i

**IMPORTANT NOTE:**

**LEGAL ACTION MAY BE TAKEN AGAINST YOU IF YOU DEFAULT OF ANY TERMS OF FINANCING THEREIN ON THE DUE DATES**

*The information provided in this product disclosure sheet is valid as at 28 Feb 2019 and is subject to change at the Bank's discretion from time to time.*

The terms and conditions indicated in this Product Disclosure Sheet are indicative and not binding on the Bank. The final terms and conditions are as stipulated the Letter of Offer and/or Facility Agreement after bank assessment and financing approval.

I / We hereby confirm having explained the Product Disclosure Sheet (PDS) to Customer.

I / We hereby confirm having received and understand the explanation given.

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Name:  
NIRC:  
Date:

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Name:  
NIRC:  
Date: