

Bank Guarantee-i Product Disclosure Sheet

PRODUCT DISCLOSURE SHEET Please read this Product Disclosure Sheet (PDS) before you decide to apply for Bank Guarantee-i. If your application has been approved, kindly ensure that you have read the terms in the letter of offer before accepting the Bank's offer for the facility. Please consult your relationship manager if you require clarification on the terms.	Alliance Islamic Bank Berhad ("Bank") Product name: Bank Guarantee-i										
1. What is this product about?											
<ul style="list-style-type: none"> A BG-i is issued by the Bank to a third party to guarantee any claim, debt or obligation that should be fulfilled by the Bank's customer with the third party. A commission is charged for the issuance of the BG-i. You may apply for a BG-i limit or apply for an adhoc issuance (over the counter BG-i). 											
2. What is the Shariah contract applicable?											
<ul style="list-style-type: none"> The Shariah contract applicable is <i>kafalah bil ujah</i>. Kafalah refers to a contract where the guarantor conjoins the guaranteed party in assuming the latter's specified liability. <i>Ujah</i> means fee. The Bank enters into a <i>kafalah</i> contract with a third party when a BG-i is issued at the request of the Bank's customer. A commission is charged to the customer for the BG-i issuance. 											
3. What do I get from this product?											
<p>You can request for a BG-i to be issued for the following purposes:</p> <ul style="list-style-type: none"> For tender bond or bid bond required when tendering for a contract or project; For performance bond to guarantee performance of a contract; For payment guarantee to guarantee payment to the beneficiary, such as for the purchase of goods or for utilities. For advance payment bond to guarantee the repayment of the amount that is advanced to the customer by another party (such as the Principal of a project) in the event that the customer does not fulfil the terms or its obligations under a contract or agreement. Bankers Guarantee-i on Customs Duties/Excise Duties/Sales Tax/Fine 											
4. What are my obligations?											
<p><u>Payment of commission</u> Commission shall be paid for the entire BG-i tenure prior to issuance of the BG-i. The Bank may at its discretion allow the commission to be paid on a periodic basis.</p> <p><u>Over the counter BG-i applications</u> Issuance shall be against 100% cash margin from the customer.</p> <p><u>Claims from the beneficiary</u> In case of any claims from the beneficiary under the BG-i issued by the Bank, you are required to ensure that there are funds available in your account for the Bank to debit to settle the claim.</p>											
5. What are the fees and charges I have to pay?											
<table border="1"> <thead> <tr> <th>Fees and Charges</th> <th>Details</th> </tr> </thead> <tbody> <tr> <td>Stamp Duty</td> <td>Stamp duty for the legal documents is payable in accordance with the Stamp Act 1949 (revised 1989).</td> </tr> <tr> <td>Issuance of BG-i</td> <td> <ul style="list-style-type: none"> Issuance of BG-i: 0.1% per month or part thereof plus actual costs, subject to a minimum of RM100.00. </td> </tr> <tr> <td>Amendment of BG-i</td> <td> <ul style="list-style-type: none"> Amendment of BG-i: RM50.00 Extension of BG-i / Increase of BG-i amount: 0.1% p.m. or part thereof for the extended period / incremental value plus actual cost (subject to minimum of RM50.00). </td> </tr> <tr> <td>Fees and Charges</td> <td>Please refer to the Bank's website (https://www.alliancebank.com.my/home.aspx) for our latest fees and charges. Kindly note that the fees and charges on the Bank's website are updated from time to time. If there are any changes in fees and charges that are applicable to your facility, the Bank will notify you at least 21 calendar days prior to the effective date of implementation.</td> </tr> </tbody> </table>	Fees and Charges	Details	Stamp Duty	Stamp duty for the legal documents is payable in accordance with the Stamp Act 1949 (revised 1989).	Issuance of BG-i	<ul style="list-style-type: none"> Issuance of BG-i: 0.1% per month or part thereof plus actual costs, subject to a minimum of RM100.00. 	Amendment of BG-i	<ul style="list-style-type: none"> Amendment of BG-i: RM50.00 Extension of BG-i / Increase of BG-i amount: 0.1% p.m. or part thereof for the extended period / incremental value plus actual cost (subject to minimum of RM50.00). 	Fees and Charges	Please refer to the Bank's website (https://www.alliancebank.com.my/home.aspx) for our latest fees and charges. Kindly note that the fees and charges on the Bank's website are updated from time to time. If there are any changes in fees and charges that are applicable to your facility, the Bank will notify you at least 21 calendar days prior to the effective date of implementation.	<p>Unless otherwise specified herein, the Bank's charges exclude any current taxes and future taxes (if any) that may be imposed under the relevant legislation. Should any of such taxes be implemented in the future and whenever applicable, the Bank will be entitled to recover such taxes from you.</p>
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6. What if I fail to fulfil my obligations?											

- Late Payment Charges (“LPC”) will apply in the following scenarios:
- In the case of default causing the entire Facility to be recalled or brought to court for judgement prior to the maturity of the BG-i - Compensation at a rate equivalent to the Bank’s actual cost not exceeding 1% per annum or such other maximum rate prescribed by Bank Negara Malaysia on the outstanding balance (outstanding principal and accrued profit) accruing from the due date* up to the date of settlement or judgement (whichever is earlier).
- After maturity of the BG-i – Compensation at a rate equivalent to the Bank’s actual cost not exceeding the prevailing daily overnight Islamic Interbank Money Market (IIMM) rate prescribed by Bank Negara Malaysia on the outstanding balance (outstanding principal and accrued profit).
- Facility presented to the court for judgement: Late payment charges shall be imposed at a rate equivalent to the Bank’s actual cost not exceeding the IIMM rate prescribed by Bank Negara Malaysia on the outstanding balance (which excludes outstanding uncollected late payment charges and other costs prior to judgement) from the date of judgement until the judgement debt is fully settled.
- Notwithstanding the above, the amount of compensation shall not be compounded.

*Note: The date that the financing becomes immediately due and payable as a result of the Facility being recalled or brought to court for judgement.

Formula:

Late Payment Charges = Outstanding balance x LPC rate x No. of days overdue / 365 days

LPC imposed will increase the outstanding balance due to the Bank.

- The Bank has the right to set-off any credit balance in your account with the Bank to regularize any amount that is overdue and unpaid in relation to the BG-i facility within 7 calendar days with prior notice to you.
- The Bank may also take legal action against you and/or your guarantor (if any) and liquidate or foreclose the collateral provided (if any) for the facility.
- Legal action against you may affect your credit rating and this will affect your ability to obtain additional facilities from banks.

7. What if the BG-i is cancelled before its expiry date?

Confirmation/consent from beneficiary must be obtained prior to cancellation.

8. Do I need any takaful coverage?

Takaful is not applicable to BG-i.

9. What are the major risks?

The Bank is required to pay to the beneficiary on demand in the event that the Bank receives a claim from the beneficiary. A claim may be received from the beneficiary due to inter alia the following reasons:

- Goods: Non-delivery or shipment of inferior goods, loss of or damage to goods in transit.
- Performance: Non performance or failure to meet the obligations under an agreement or contract.
- Payment: Failure to make payment by a certain due date.

10. Do I need a collateral or guarantor?

The requirement for collateral or guarantor is subject to credit evaluation by the Bank.

11. 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. Contact your relationship manager or update your account details at any of our bank’s branches.

12. Where can I get assistance and redress?

- If you have difficulties in making payments, you should contact your relationship manager as soon as possible to discuss payment alternatives. You may contact us at:

Alliance Islamic Bank Berhad, Consumer Collections, 2nd Floor, 3 Alliance, 3 Jalan SS15/2A, 47500 Subang Jaya, Selangor.
Tel: 03-5516 9988 Fax: 03-5516 9399 Email: info@alliancefg.com

- 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 also join the “Program Pengurusan Wang Anda (POWER)” to help your credit management. The contact details and list of branches are on AKPK’s website at <https://www.akpk.org.my/contact-us>

Level 8, Maju Junction Mall, 1001, Jalan Sultan Ismail, 50250 Kuala Lumpur.
Tel: 03-26167766 Email: enquiry@akpk.org.my

- If you wish to lodge a complaint on the products or services provided by the Bank, you may contact the Bank at:
Alliance Bank Malaysia Berhad, Group Complaints Unit, 4 Floor, Menara Multi-Purpose, Capital Square, 8 Jalan Munshi Abdullah, 50100 Kuala Lumpur.
Tel: 03-2604 3300 Fax: 03-2691 8229 Email: info@alliancefg.com

- If your query or complaint is not satisfactorily resolved by the Bank, 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

- You may also contact Financial Markets Ombudsman Services (FMOS) at:
Level 14, Main Block, Menara Takaful Malaysia, No. 4, Jalan Sultan Sulaiman, 50000 Kuala Lumpur.
Tel: 03-2272 2811 Fax: 03-2272 1577 Email: enquiry@ofs.org.my Website: www.fmos.org.my

13. Where can I get further information?

If you would like to have more information about BG-i and/or our other products and services, please visit our Bank's website at <https://www.alliancebank.com.my/Islamic> or contact your business relationship manager.

14. Other business products and services available

No.	Services
1	Islamic Trade Products and Services
2	Cashline Facility-i
3	Commodity Murabahah Term Financing-i
4	Commodity Murabahah Revolving Credit-i
5	Business Premise Term Financing-i
6	Industrial Hire Purchase-i

15. Disclaimer

This Product Disclosure Sheet is for information purposes and shall not be construed as an obligation by the Bank to grant facilities to you. The terms herein are subject to the Bank's credit evaluation and approval.

The information provided in this product disclosure sheet is valid as at [to insert date].

IMPORTANT NOTE: LEGAL ACTION MAY BE TAKEN AGAINST YOU IF YOU DO NOT HONOUR YOUR PAYMENT OBLIGATIONS FOR THE FACILITY.

ACKNOWLEDGEMENT BY CUSTOMER:

I/We acknowledge that I/we have read and understood the features of the product, its salient terms and the obligations attached to it. I/we understand that this product disclosure sheet is only for information purposes and shall not be construed as an offer by the Bank or an obligation by the Bank to grant any facilities to us.

Name:
Date: