

## PRODUCT DISCLOSURE SHEET

Read this Product Disclosure Sheet before you decide to take the **Affin Bank Guarantee (BG)**. Be sure to also read the terms and conditions in the Letter of Offer. Seek clarification from the Bank if you do not understand any part of this document or the general terms.



### 1. What is this product about?

Bank Guarantee (BG) is an irrevocable undertaking by the Bank (the guarantor) to pay an agreed sum to the beneficiary in the event that the party (applicant) requesting the Guarantee fails to perform its obligations or liability upon presentation of a written demand. The type of guarantee that can be offered to you are summarized as follows:

- a. Tender / Bid Guarantee/Bond
  - This Guarantee/Bond is issued when you are going to bid for a tender of a contract and usually short term in nature.
- b. Performance Guarantee/Bond
  - Performance Guarantee/ Performance Bond is issued in relation to the performance of the contractor against their obligations /works under the contract. The BG amount is normally about 2.5% or 5% of the contract value and valid until the completion of the contract/work or until the expiry of the defect liability / warranty period.
- c. Advance Payment Guarantee
  - Issued to cover the advances made by the beneficiary to the applicant in which if the applicant fails to perform the contract, such advances made earlier will be claimed upon.
- d. Security Deposit Guarantee
  - Security Deposit Guarantee is used as a deposit by the applicant to cover payment such as to Tenaga Nasional, Telekom, and Customs and also for the supply of goods on credit term.

### 2. What do I get from this product?

- Provides security to your counterparty thus facilitate your business expansion into new markets.
- Support your financial commitments for your performance under a contractual obligation.

### 3. What are my obligations?

- Pays the Bank immediately for the full guaranteed amount plus charges should there be a demand made by beneficiary on the BG irrespective of whether the Bank has made or has yet to make payment under the BG
- Pays the Bank all fees and charges pursuant to the issuance of the BG together as may be prescribed by the Bank from time to time.
- Authorize the Bank to debit your account in the Bank for any amount demanded by the Bank and any charges, interests, costs or expenses in respect of payment made by the Bank under the BG issued.

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

Fees and charges	Amount (RM)
<b>Commission</b>	
Issuance	From 0.1% per month or part of month thereof (min=RM100)
Amendment (extend validity/ increase of amount)	From 0.1% per month (or part of month thereof) (min=RM50)
Amendment (others)	RM50.00
Format Vetting Fee	RM250 -BG format vetting fee
BG Assignment	RM250
<b>Stamp duty</b>	
<ul style="list-style-type: none"><li>• BG</li><li>• Letter of Indemnity</li></ul>	RM10-00 RM10-00
<b>Cost of SWIFT</b>	
· Issuance of Foreign BG	RM30.00
· Amendment of Foreign BG	RM15.00
<b>Postage</b>	RM10:00

**Note:**

\* BLR is subject to change from time to time and the current BLR is at 6.56% p.a.

<p><b>5. What if I fail to fulfill my obligations?</b></p> <ul style="list-style-type: none"> <li>• Default/Penalty interest at 3.5% p.a. above the Bank's Base Lending Rate will be imposed on such sum advance by the Bank to honor the BG demand and shall be computed from the date of payment until settlement.</li> <li>• The Bank will suspend your BG facility and all your other facilities when you default in your BG payment.</li> <li>• The Bank may exercise its rights and start its recovery process/ legal action if you fail to respond to reminder notices. You will have to bear all legal costs.</li> </ul>
<p><b>6. What are the major risks?</b></p> <ul style="list-style-type: none"> <li>• BG issued is independent of the underlying contract where demand for payment is to be undisputed and thus subject applicant to risk of fraudulent claim by beneficiary.</li> <li>• Issuance of open dated BG will subject applicant to unlimited liability amount and expiry date and thus release of liability is subject to discharge by beneficiary.</li> </ul>
<p><b>7. Where can I get assistance and redress?</b></p> <ul style="list-style-type: none"> <li>• If you have difficulties in making payments, you should contact us earliest possible to discuss payment alternatives.</li> <li>• If you wish to make a complaint on the products or services provided by us, you may contact us at: <ul style="list-style-type: none"> <li><b>Customer Care &amp; Quality</b>  <b>12<sup>th</sup> Floor, Menara Affin Bank</b>  <b>80 Jalan Raja Chulan</b>  <b>50200 Kuala Lumpur</b>  <b>Telephone : 1-800-88-3883</b></li> <li><b>Call Centre : 03-5522 3000</b></li> <li><b>Fax : 03-2026 5982</b></li> <li><b>E-mail : <a href="mailto:yourvoice@affinbank.com.my">yourvoice@affinbank.com.my</a></b></li> <li><b>Web Site : <a href="http://www.affinbank.com.my">http://www.affinbank.com.my</a></b></li> </ul> </li> <li>• 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 can contact AKPK at: <ul style="list-style-type: none"> <li><b>Tingkat 8, Maju Junction Mall</b>  <b>1001, Jalan Sultan Ismail</b>  <b>50250 Kuala Lumpur</b>  <b>POWER! AKPK Infoline : 03-2616 7766</b>  <b>E-mail : <a href="mailto:enquiry@akpk.org.my">enquiry@akpk.org.my</a></b></li> </ul> </li> <li>• If your query or complaint is not satisfactorily resolved by us, you may contact Bank Negara Malaysia LINK or TELELINK at: <ul style="list-style-type: none"> <li><b>Block D, Bank Negara Malaysia</b>  <b>Jalan Dato' Onn</b>  <b>50480 Kuala Lumpur</b>  <b>Telephone : 1-300-88-5465</b>  <b>Fax : 03-21741515</b>  <b>E-mail : <a href="mailto:bnmtelelink@bnm.gov.my">bnmtelelink@bnm.gov.my</a></b></li> </ul> </li> </ul>
<p><b>8. What do I need to do if there are changes to my contact details?</b></p> <p>It is important that you inform us (written notice to be sent to the account holding branch) of any changes in your contact information to ensure that all correspondences reach you in a timely manner.</p>
<p><b>9. Where can I get further information?</b></p> <p>Should you require additional information on financing, please contact us at our nearest branch to you or call our Call Centre at 03-55223000 or visit our web site <a href="http://www.affinbank.com.my">www.affinbank.com.my</a> for further details.</p>
<p><b>10. Other facilities available.</b></p> <p>The Bank offers other trade bills facilities such as Letter of Credit, Shipping Guarantee, Trust Receipt, Bankers Acceptance, Bills Negotiation, Bills Purchased and Export Credit Refinancing.</p>
<p><b><u>IMPORTANT NOTE:</u></b>  <b>LEGAL ACTION MAY BE TAKEN AGAINST YOU IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR FACILITY.</b></p>

*The information provided in this disclosure sheet is valid as at 28 Jan 2020.*