

TERMS & CONDITIONS FOR INVOICE FINANCING-i FACILITY (“IF-i FACILITY”) CONVERTED FROM ACCEPTED BILLS-i (“AB-i”), TRUST RECEIPT-i (“TR-i”) OR LOCAL BILLS PURCHASED-i NOT UNDER LETTER OF CREDIT-i (LBP-i) PURSUANT TO OCBC AL-AMIN TRADE RELIEF PROGRAMME

- (a) Under OCBC Al-Amin Trade Relief Programme, the Bank may avail a Customer the conversion (“Conversion”) of AB-i , TR-i or LBP-i bill into an Invoice Financing-i (“IF-i Financing” or “IF-i Facility”) in Ringgit Malaysia at the prevailing board rate (if applicable) of the Bank. For a Customer being availed the Conversion, these terms and conditions shall apply to the IF-i Financing.
- (b) The Conversion shall occur on the due date of the AB-i, TR-i or LBP-i bill. By the Conversion, the total amount due under the AB-i, TR-i or LBP-i bill whether Bank’s sale price or face value of the bill (as applicable), shall form the financing amount (“Amount Utilised”) of the IF-i Financing. A disbursement notice (“Disbursement Notice”) by the Customer is not required. Instead, the Customer may within 21 days from (excluding) the date of Conversion deliver a written notice (“Decline Notice”) to the Bank to decline the Conversion, whereupon the Conversion shall be deemed not to have occurred, and the Customer shall settle the AB-i, TR-i or LBP-i according to the terms and conditions of the AB-i, TR-i or LBP-i facilities, including any profit and/or late payment charges.
- (c) With a Conversion, for a Customer who has an existing IF-i Facility with the Bank, the IF-i Financing shall form utilisation of the aggregate limit or any sub-limit(s) prescribed by the Bank for the IF-i Facility or the financing facility of which the IF-i Facility forms part thereof. If such aggregate limit or any sub-limit(s) will be exceeded, then the IF-i Financing will be earmarked against the AB-i, TR-i or LBP-i facility limit.
- (d) With a Conversion, for a Customer who has no existing IF-i Facility with the Bank, the IF-i Facility shall be earmarked against the AB-i, TR-i or LBP-i facility limit.
- (e) Earmarking of an IF-i Financing against the AB-i, TR-i or LBP-i facility limit will be released on settlement of the IF-i Financing. The Customer shall apply separately for the Bank’s approval if the Customer wishes to have sub-limit created for IF-i Facility within the AB-i, TR-i or LBP-i facility limit.
- (f) The IF-i Financing will be availed under the concept of Commodity *Murabahah / Tawarruq*. If the Bank does not receive a Decline Notice on a Conversion, the Bank is deemed to have been requested and consented by the Customer to conduct Commodity *Murabahah / Tawarruq* transactions, i.e. the Bank purchase commodity from the market and then sell at cost plus the commodity to the Customer at the Bank’s sale price. Under the *Tawarruq* principle, the Customer appoints the Bank as the agent (*Wakil*) to purchase Shariah compliant commodity from the Bank at the Bank’s sale price payable on deferred payment terms / according to agreed payment schedule. The Bank’s sale price consists of a principal (which is equivalent to the Amount Utilised) and a profit (calculated according to the Profit Rate in the relevant notification (“Notification”) from the Bank on the Conversion) portions. The commodity will be Crude Palm Oil (“CPO”) or such other Shariah compliant commodity as determined by the Bank. The Customer agrees to accept the commodity on “as is where is” basis and agrees to waive the defect option (*Khiya al ‘Ayb*) for any defects in the commodity. The Customer may request physical delivery of the commodity. All costs associated with the physical delivery of the commodity as requested by the Customer, including the delivery costs, storage costs and takaful/insurance, shall be borne by the Customer. If a request for delivery is not so made, the Customer upon constructive possession (*Qabd al-Hukmi*) of the

commodity further appoints and authorises the Bank to sell the commodity on the Customer's behalf at the Customer's sale price to any third party as the Bank deems fit. The Customer's sale price is payable on cash. In consideration of the Bank acting as Customer's agent, the Customer shall indemnify the Bank against all actions, claims, demands, liabilities, losses, damages, costs and expenses of whatever nature which the Bank may sustain or incur as a result of acting as Customer's agent (*Wakil*). The Bank as Customer's agent may effect sales and purchases of the commodity with such supplier or purchaser and in such manner as the Bank deems fit including, without limitation, directly with any supplier or purchaser or through any commodities exchange or other trading venue and/or clearing house.

- (g) Each Amount Utilised in Ringgit Malaysia shall not exceed such tenure as the Bank may at its sole and absolute discretion stipulate. Subject always to the Bank's right of review, the Customer shall pay the Bank's sale price for the IF-i Financing calculated from the Profit Rate stated in the Notification (i) in accordance with any payment schedule agreed with the Bank, such payment schedule with a final payment on the last day ("Maturity Date") of the financing tenure, or (ii) there being no payment schedule, on the Maturity Date, provided that if the sale proceeds are received earlier than (i) or (ii), as applicable, then the Bank's sale price shall be paid as and when the sale proceeds are received. The financing tenure for the IF-i Financing shall deemed to have commenced on the Conversion date if no Decline Notice is received by the Bank in accordance with these terms and conditions. The Bank's sale price(s) shall be calculated from the following formula:

$$\text{Bank's Sale Price} = \frac{(PxRxT)}{D} + P$$

Where

R = profit rate;

T = tenure;

P = Amount Utilised or Customer's sale price

D = 365 or 366 (in a leap year)

- (h) The Customer shall pay to the Bank punctually on due date any amounts payable by the Customer to the Bank under or in connection with or arising from the IF-i Facility. In the event the Customer fails to do so, the Customer shall (subject to the Bank's right of variation) pay late payment charges at the rate or sum as the Bank may stipulate in the relevant Letter of Offer (or if there is no such Letter of Offer, as may be stated in these terms and conditions) or as Shariah Committee of the Bank and/or Shariah Advisory Council of Bank Negara Malaysia may approve or direct, until the date of payment of the amount, both before and after judgment or order. The late payment charges to be calculated from the date such monies are first paid out by the Bank up to the date of the Bank's actual receipt of the full amount thereof from the Customer.
- (i) Without prejudice and in addition to any rights or remedies which the Bank may be entitled, the Bank may, at its sole and absolute discretion and without any obligation whether at law or in equity so to do debit any of the Customer's current account-i or CLF-i account or other account maintained with the Bank or conventional current account or overdraft account or other account maintained with OCBC Bank (Malaysia) Berhad with the amount outstanding under IF-i Facility including late payment charges and any other charges or fees imposed by the Bank under the IF-i Facility and the Customer hereby irrevocably and unconditionally consents to the Bank so doing.
- (j) The Bank's certificate or confirmation and any determination by the Bank duly signed by any of its officers as to profit rate or commission or other charges, or the amount(s) under the IF-i Facility, payable by Customer shall save and except for any manifest error be conclusive and final and binding upon the Customer.

- (k) The Bank is entitled and is hereby irrevocably authorised by the Customer to set off any proceeds due to or available to the Customer or any credit balances in any account(s) of the Customer and apply the same towards payment of any amount due under the IF-i Facility with notice to the Customer.
- (i) Any amount received or recovered in currency other than Ringgit Malaysia by the Bank in respect of any sum expressed to be due from the Customer under the IF-i Facility shall only constitute a discharge to the Customer to the extent of the Ringgit Malaysia amount which the Bank is able in accordance with its usual practice to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or if not practicable to make that purchase on that date on the first date on which it is practicable to do so).
 - (ii) If the amount due or owing under any judgment or otherwise upon conversion does not yield such amount in Ringgit Malaysia, the Bank shall have recourse against the Customer for the Ringgit Malaysia deficiency provided that the Bank may elect to accept payment in any other currency without actual conversion into the Ringgit Malaysia. The Customer shall indemnify the Bank against any loss sustained by the Bank as a result or arising therefrom or in connection therewith and shall indemnify the Bank against the cost of making any such purchase.
 - (iii) These indemnities constitute a separate and independent obligation from the other obligations in the Letter of Offer and shall give rise to a separate cause of action, shall apply irrespective of any indulgence granted by the Bank and shall remain in full force and effect despite any judgment order claim or proof for a liquidated amount in respect of any sum due under the facilities agreement or the related security documents or any judgment or order. No proof or evidence of any actual loss may be required.
- (l) The Customer represents and warrant to the Bank that:-
- (i) its trade transactions, exports, transshipment or transit of goods (including technology) and related documents (such as letters of credit, bills, shipping/transport documents, bills of lading or other document of title to goods) financed, discounted, purchased, collected by and/or endorsed to/by the Bank does not infringe the Strategic Trade Act 2010, as amended or supplemented from time to time and the regulations/orders issued thereunder (“STA”); and
 - (ii) all necessary permits, licences, registrations, and approvals required under the STA for the Customer’s trade transactions, exports, transshipment or transit of goods (including technology) and related documents have been or shall be obtained and are in full force and effect and shall be produced to the Bank on request.

The above representations and warranties shall be deemed to be repeated each time the facility(ies) granted by the Bank is utilised and will be true and correct and fully observed at all times by reference to the then existing circumstances.

- (m) Any delay or failure by the Customer in making payment to the Bank under this facility on its due date will cause serious harm and loss to the Bank. The Bank has the right to receive from the Customer who shall pay to the Bank, late payment charge at Average IIMM Rate on outstanding principal amount on expiry of tenure of each utilisation until the principal amount is received in full by the Bank; And/or at the rate and in the manner endorsed by the Shariah Advisory Council of Bank Negara Malaysia or at the rate and in the manner as may be prescribed by any other relevant authority having jurisdiction over the Bank and endorsed by the Shariah Advisory Council of Bank Negara Malaysia from time to time. The rate shall be applicable before as well as after any judgement or order obtained against the Customer. Late payment charge is not subject to compounding.
- (n) *Ibra'* (rebate)
- (i) *Ibra'* (rebate) shall be granted on the Bank’s sale price to the Customer if the Customer settles or terminates the IF-i Financing/ accelerates the payment under the *Commodity Murabahah* transaction before the end of financing tenure. Settlement or termination before the end of financing tenure includes (but not limited to) the following situations:

1. When there is an early settlement or early redemption, including when arising from prepayments;
2. When the existing facility/transaction was fully settled through restructuring of the facility/transaction;
3. When the Customer fully settles the facility/transaction after event of default; or
4. When the Customer fully settles the facility/transaction in the event of termination or cancellation of the facility/transaction before the maturity date.

(ii) *Ibra'* (rebate) granted to the Customer is calculated according to the following formula:

$$Ibra' = \text{Deferred Profit} - \text{Break Funding Cost} - \text{Other Unrecovered Costs}$$

Where,

Deferred Profit (DP) is the unearned profit on a particular prepayment. DP calculated as follows:

$$DP = A \times \text{Rate} \times (T1 - T2) / D$$

A = Outstanding Principal at the point of prepayment.

T1 = Original financing tenure (days) for the facility/transaction.

T2 = Number of accrue tenure from first day of disbursement (days) for the facility/transaction.

D = 365 or 366 (in a leap year) if trade facilities is denominated in Ringgit Malaysia

Ibra' (rebate) for all prepayments will be accumulated until the early settlement. The grant of any *Ibra'* (rebate) shall not in any way affect the Customer's obligation to pay the Bank's sale price, or any monies under the relevant facility.

- (o) Where the Bank acts as agent (*Wakil*) of the Customer to purchase and / or sell commodities, the Customer acknowledges that the performances of roles under the *Tawarruq* transactions, changes in commodity ownerships, details of commodity and conclusions of *Tawarruq* transactions shall be as evidenced by such documentation as the Bank deems fit in accordance with Shariah requirements. All documentation will be maintained according to the Bank's policy, during which period the Customer may request in writing from the Bank details of completed *Tawarruq* transactions for the Customer's facilities.
- (p) Sanctions, prohibitions or restrictions in various forms may from time to time be imposed by the United States of America and other governments and/or regulatory authorities against certain countries, entities and individuals. Under these measures, the Bank may not be able to commence or continue with the financing, may not process or engage in any transactions that may involve a breach of such sanctions, and authorities may require disclosure of information including any actual or apparent breach of such sanctions, prohibitions or restrictions. The Bank shall not incur any liability whatsoever in taking the aforesaid actions. This clause applies notwithstanding any inconsistency with the current edition of the International Chamber of Commerce Uniform Customs and Practice for Documentary Credits.
- (q) The Bank reserves the right to amend and/or supplement these terms and conditions from time to time by giving notice through any modes as the Bank deems suitable including without limitation by post, notification in the mass media or posting the notice in its branches or inserting the notice into the periodic statement of account, by electronic communication (including via facsimile or internet) or posting at its website. Such changes to these terms and conditions shall take effect on the date specified by the Bank, and shall be deemed accepted without reservation by the Customer's continuing to utilise the facility(ies).

(r) Interpretation

“Business Day”

means a day on which Islamic banks and the Bank are open in the state where the Bank's place of business is located on which transactions or business of the nature required or contemplated in the relevant facilities agreement and/or

Letter of Offer and/or Notification are carried out and in the country of the stipulated currency of the relevant financing facility for non-Ringgit Malaysia financing facility.

“Letter of Offer” means the letter(s) of offer issued or to be issued by the Bank and accepted by the Customer where the Bank agrees to grant and the Customer agrees to accept the facility(ies) or any additional or further facility(ies) or any variation, interchange or substitution of the facility(ies) and the term “Letter of Offer” shall also refer to any one of the letter(s) of offer and if applicable, the relevant facilities agreement(s).

“month” means a calendar month.
