

TERMS & CONDITIONS FOR INVOICE FINANCING FACILITY (“IF FACILITY”) CONVERTED FROM BANKER’S ACCEPTANCE (“BA”) UNDER OCBC TRADE RELIEF PROGRAMME

- (a) Under OCBC Trade Relief Programme, OCBC may avail a Customer the conversion (“Conversion”) of BA into an Invoice Financing loan (“IF Loan” or “IF Facility”) in Ringgit Malaysia at the prevailing OCBC board rate (if applicable). For a Customer being availed the Conversion, these terms and conditions shall apply to the IF Loan.
- (b) The Conversion shall occur on the due date of the BA. By the Conversion, the principal and accrued interest due under the BA shall form the principal amount of the IF Loan. A drawdown notice (“Drawdown Notice”) by the Customer is not required. Instead, the Customer may within 21 days from (excluding) the date of Conversion deliver a written notice to the Bank to decline participation in the OCBC Trade Relief Programme for the BA, whereupon the Conversion shall be deemed not to have occurred, and the Customer shall settle the BA according to the terms and conditions of the BA facilities, including any interests and/or late charges.
- (c) With a Conversion, for a Customer who has an existing IF Facility with OCBC, the IF Loan shall form utilisation of the aggregate limit or any sub-limit(s) prescribed by OCBC for the IF Facility or the credit facility of which the IF Facility forms part thereof. If such aggregate limit or any sub-limit(s) will be exceeded, then the IF Loan will be earmarked against the BA facility limit.
- (d) With a Conversion, for a Customer who has no existing IF Facility with OCBC, the IF Loan shall be earmarked against the BA facility limit.
- (e) Earmarking of an IF Loan against the BA facility limit will be released on settlement of the IF Loan. The Customer shall apply separately for OCBC’s approval if the Customer wishes to have sub-limit created for IF Facility within the BA facility limit.
- (f) The tenor of each IF Loan shall not exceed such tenor as OCBC may stipulate. Subject always to OCBC’s right of review, the Customer shall repay each IF Loan on the last day of its tenor (“Maturity Date”) or when the sale proceeds are received. All interest on the IF Loan accrued and all other monies payable by the Customer up to the date of such repayment shall be paid and settled on the repayment date.

The Customer may prepay any part of the IF Loan outstanding in an amount which is not less than Ringgit Malaysia Five Thousand (RM5,000-00) or such other minimum amount as may be determined by OCBC from time to time at its absolute discretion together with interest accrued thereon and such other charges imposed by OCBC provided that:

- (i) OCBC shall have received at least two (2) Business Days prepayment notice from the Customer or such longer notice as may be stipulated by OCBC;
- (ii) For cost of funds-based IF Facility, the Customer shall, together with the amount of the IF Loan to be prepaid, pay to OCBC, a break funding cost which shall be such sum determined by the following formula together with any other costs or expenses incurred by OCBC:

$$Z \times [(\text{COF1} - \text{COF2}) + 1\%] \times T$$

where:

Z means the amount of the IF Loan to be prepaid;
COF1 means OCBC’s cost of funds levied on the IF Loan;

- COF2 means the cost of funds prevailing on the prepayment date for the remaining tenor; and
- T means the remaining tenor of the IF Loan (ie date of prepayment up to date immediately preceding Maturity Date of the IF Loan) divided by 365 or (in a leap year) 366
- (iii) the Customer shall pay a prepayment handling charge as may be determined by OCBC at its discretion;
- (iv) the prepayment notice once given by the Customer shall not be revocable by the Customer and the Customer shall prepay the amount stated;
- (v) all interest on the prepaid amount accrued and all other monies payable by the Customer up to the date of such prepayment shall be paid and settled immediately on the prepayment date.
- (g) For cost of funds-based IF Facility, if the amount to be prepaid ("Prepayment Amount") pursuant to the prepayment notice issued by Customer is not settled on the prepayment date, a late payment charge at a rate as may be determined by OCBC from time to time, will be imposed calculated by the following formula :

$$Z \times [(BLR + \text{Margin}) - \text{COF2}] \times T$$

where:

- Z means the amount of the IF Loan to be prepaid
- BLR means base lending rate
- Margin means margin/spread imposed on Customer
- COF2 means cost of funds for the remaining tenor prevailing on the prepayment date; and
- T means the number of days in which the prepayment was delayed (ie date of prepayment up to date that prepayment actually made) divided by 365 or (in a leap year) 366

This late payment charge will cover a grace period for the prepayment to be settled, after which, at the absolute discretion of OCBC, the IF Facility can be considered as non-performing which will attract further overdue charges and subsequent action by the Bank to demand repayment of the IF Facility.

Unless notified, OCBC's rate for late payment charges shall be based on a differential rate applied on the principal and number of days where the intended prepayment has been overdue.

(h) Interest and other Charges

- (i) The Customer shall pay interest on the IF Loan at the rate stated in the relevant notification ("Notification") from OCBC on the Conversion ("IF Prescribed Rate"). Subject to OCBC's right of variation, interest relative to an IF Loan shall be determined at the IF Prescribed Rate and shall be paid in advance or arrears (as may be agreed with OCBC) by the Customer for the tenor of the IF Loan on the Maturity Date. "IF Prescribed Rate" means subject to OCBC's right of variation, the rate per annum equal to the aggregate of the OCBC's base lending rate or cost of funds, as the case may be, and the applicable margin stipulated in the relevant Notification. The calculation of interest shall be on the basis of a 365 day year or (in a leap year) 366 day year (or such other number of day year as may be determined by OCBC). Interest on the IF Facility shall be paid both before as well as after demand or judgment and irrespective of whether or not the banker and customer relationship exists or subsists or has been terminated.
- (ii) Extension of maturity date of an IF Loan is subject to OCBC's approval and charges from time to time published by OCBC.
- (iii) OCBC's out-of-pocket charges such as cable (e.g.: cable payment to supplier) and the postage (e.g.: mailing of advice to Customer) will be levied at OCBC standard rate for invoice financing facility.

- (i) The Customer shall pay to OCBC punctually on due date any amounts payable by the Customer to OCBC under or in connection with or arising from the IF Facility. In the event the Customer fails to do so, the Customer shall (subject to OCBC's right of variation) pay interest at the applicable late payment interest rate specified in the relevant Letter of Offer (or if there is no such Letter of Offer, as may be stated in this clause) from the due date until OCBC receives full payment on the overdue amounts or at such other rate as may be determined by OCBC at its sole and absolute discretion from time to time (both before as well as after demand or judgment and irrespective of whether or not the banker customer relationship exists or subsists or has been terminated) by way of indemnity. Unless otherwise stipulated in the relevant Letter of Offer, late payment interest rate shall be one (1%) per centum per annum above the interest rate applicable for the IF Loan or such other rate as may be determined by OCBC from time to time. All capitalised/compounded interest shall be deemed as interest and not principal for determining whether the principal sums secured under any security given to OCBC has been exceeded or not.
- (j) Without prejudice and in addition to any rights or remedies which OCBC may be entitled, OCBC may, at its sole and absolute discretion and without any obligation whether at law or in equity so to do debit the Customer's overdraft or current account or other account maintained with OCBC with the principal amount of the IF, interest thereon, including late payment interest and any other charges or fees imposed by OCBC under the IF Facility and the Customer hereby irrevocably and unconditionally consents to OCBC so doing. Such amount debited shall become immediately due and payable by Customer and failing payment, interest at the applicable late payment interest rate specified in the relevant Letter of Offer shall be charged from the due date until OCBC receives full payment (both before as well as after judgment or order).
- (k) OCBC's certificate or confirmation and any determination by OCBC duly signed by any of its officers as to rate of interest or commission or other charges, or the amount(s) under the IF Facility, payable by Customer shall save and except for any manifest error be conclusive and final and binding upon the Customer.
- (l) OCBC 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 or accounts of the Customer and apply the same towards repayment of any amount due under the IF Facility with notice to the Customer.
- (m)
 - (i) Any amount received or recovered in currency other than Ringgit Malaysia by OCBC in respect of any sum expressed to be due from the Customer under the IF Facility shall only constitute a discharge to the Customer to the extent of the Ringgit Malaysia amount which OCBC 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, OCBC shall have recourse against the Customer for the Ringgit Malaysia deficiency provided that OCBC may elect to accept payment in any other currency without actual conversion into the Ringgit Malaysia. The Customer shall indemnify OCBC against any loss sustained by OCBC as a result or arising therefrom or in connection therewith and shall indemnify OCBC 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 OCBC 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.

- (n) The Customer represents and warrant to OCBC 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 OCBC 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 OCBC on request.

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

- (o) The Customer understands and agree that sanctions, prohibitions or restrictions in various forms may from time to time be imposed by the United States of America and other government and/or regulatory authorities against certain countries, entities and individuals. Under these measures, OCBC may not be able to commence or continue with the financing of the facility(ies), may reject or not process or engage in any transactions to the extent that the provision of such financing, processing or engagement in such transactions may expose OCBC to sanction risks or may involve a breach by OCBC of such sanctions, prohibitions or restrictions. OCBC will be required to disclose or authorities may require OCBC to disclose information relating to the foregoing including any actual or apparent breach of such sanctions, prohibitions or restrictions. OCBC shall not incur any liability whatsoever in taking the aforesaid actions. The Customer agrees to notify OCBC in the event the Customer is aware or becomes aware of any sanction risks that OCBC may be exposed to or which may involve OCBC in any breach or apparent breach of any sanctions, prohibitions or restrictions now or hereafter imposed by the United States of America or other government and/or regulatory authorities in availing the facility(ies) and/or any transactions undertaken thereunder. Without limiting the generality of the foregoing, this clause applies notwithstanding any inconsistency with the current edition of the International Chamber of Commerce Uniform Customs and Practice for Documentary Credits.
- (p) OCBC reserves the right to amend and/or supplement these terms and conditions from time to time by giving notice through any modes as OCBC 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 OCBC, and shall be deemed accepted without reservation by the Customer’s continuing to utilize the facility(ies).

(q) **Interpretation**

“Business Day” means a day on which commercial banks and OCBC are open in the state where OCBC’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 facility for non-Ringgit Malaysia facility. If any date on which a payment is due is not a Business Day, then payment shall be made on the next Business Day.

“Letter of Offer” means the letter(s) of offer issued or to be issued by OCBC and accepted by the Customer where OCBC 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) or to the terms and conditions of the facility(ies) and the term “letter of offer” shall refer to any one of the letter(s) of offer and if applicable, the relevant facilities agreement(s).

“month” means a calendar month.