

<p>PRODUCT DISCLOSURE SHEET</p> <p>Please read this Product Disclosure Sheet before you decide to apply for Letter of Credit. Be sure to also read the terms and conditions set out in the relevant Letter of Offer. You may seek clarification from MUFG Bank (Malaysia) Berhad if you do not understand any part of this Product Disclosure Sheet or the general terms stated herein.</p>	<p>LETTER OF CREDIT (LC)</p>
<p>1. What is this product about?</p> <p>A Letter of Credit (LC) is an irrevocable written conditional undertaking given by MUFG Bank (Malaysia) Berhad (“the Bank” or “Issuing Bank”) to the Seller (Beneficiary) for account of the Buyer (Customer) to pay the Seller a certain sum of money as stipulated in the LC upon compliance with the terms and conditions of the said LC.</p>	
<p>2. What are the main features of this product?</p> <ul style="list-style-type: none"> • LCs are issued subject to the Uniform Customs and Practice for Documentary Credits, Publication 600 (UCP 600), Uniform Rules for Bank-to-Bank Reimbursement, Publication 725 (URR 725) and is further guided by International Standard Banking Practice, Publication 745 (ISBP 745).’ • LCs may be issued to be payable at Sight (immediate payment) or Usance (payable on a future date), provided always that the terms and conditions of the said LC are met. • LCs are issued to secure the purchase/ import of goods or services, in RM or foreign currency denomination. • The LC instrument is independent of its underlying commercial contract between the Seller and the Buyer. • Payments under LC may be further financed, provided you have prior approved Trade Financing Facilities with the Bank. 	
<p>3. How do I apply for this product?</p> <p>You will need to have an approved LC Facility with the Bank and application must be made in the Bank’s standard Application Form, duly completed and signed by your authorised signatory/ies.</p>	
<p>4. What are my obligations?</p> <ul style="list-style-type: none"> • You are required to pay immediately (Sight LC) or accept and pay on the maturity date (Usance LC) upon notification by the Bank, following the receipt of shipping documents that complied with the terms and conditions of the underlying LC. Thus, you have to ensure sufficient funds are available on the date of settlement. • If the shipping documents are discrepant i.e. did not comply with the LC terms and conditions, you must decide promptly, whether to take-up or reject the shipping documents, upon notification by the Bank on the discrepancies noted. 	
<p>5. What if I fail to fulfil my obligations?</p> <ul style="list-style-type: none"> • Default interest (calculated from the date of payment made by the Bank till the date of actual payment from you) will be imposed on such sum paid by the Bank pursuant to the LC issued by the Bank. • Default in LC payment will affect further drawdown of the LC Facility and any other facilities with the Bank. • The Bank has the right to set-off any credit balances in your account(s) against any outstanding balances. • The Bank may exercise its rights and start its recovery process/ legal action against you. • Your LC facility along with any other facilities granted by the Bank may be recalled. 	
<p>6. What are the major risks?</p> <ul style="list-style-type: none"> • Goods purchased or imported may be of inferior quality and the Bank has no obligations to verify and or validate such event as the Bank deals with documents only. • Perishable goods may become worthless due to delayed clearance. • Delayed and/or non-take up of shipping documents may result in demurrage charges being imposed on you during clearance of goods at a later stage. 	
<p>7. Do I need marine insurance coverage?</p> <p>The responsibility to insure the goods will depend on the payment terms of the commercial contract between the Buyer and Seller. For example, if the commercial contract payment terms are Cost Insurance, and Freight (CIF), marine insurance will be the responsibility of the Seller.</p>	
<p>8. What are the fees and charges I have to pay?</p>	

Opening Commission	0.1% per month (min MYR100.00) plus cable charges of MYR100.00 (Pre-advice/full cable)
Amendment of LC including increased amount and/or extended validity	0.1% per month, on the extended validity and/or increased amount, (min MYR100.00) plus cable charges MYR50.00
Other Amendment of LC	MYR50.00
Acceptance Commission of LC (For Usance LC Bill only)	0.1% per month (min MYR100.00, no maximum) plus courier and cable charges
Discrepancies Fee	MYR100.00 per presentation, for RM denominated LC USD100.00 or equivalent per presentation, for foreign currency denominated LC.
Other	Please refer to the relevant Letter of Offer and the Bank's Corporate website at https://www.bk.mufg.jp/malaysia/index.html for details

Note: The Bank may revise the commission, interest rate, fee, and charges from time to time at its absolute discretion. The opening commission and relevant commission on Usance LC are a form of product pricing with components of credit risk, cost of funds and operating expenses included in its computation. As such, the rate indicated act as a general guidance but can be charged at the discretion of the bank as deemed appropriate.

For more details and full list of bank charges, you may refer to the tariffs and charges in the MUFG Corporate website at https://www.bk.mufg.jp/malaysia/pdf/Tarif_and_Charges_Conventional_Banking_Business_June_2022.pdf.

The fees and charges above may be updated from time to time and in case of inconsistency, the fees and charges stated in the standard tariff and charges shall prevail over fees and charges stated in this Product Disclosure Sheet.

9. 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. You may your Account Relationship Manager directly or contact the Bank:

Via phone: 03-2034 8000 / 03-2034 8008
Via email to: customercare@my.mufg.jp

10. Who should I contact for further information or to lodge a complaint?

For internal dispute resolution, you may contact the Bank:

MUFG Bank (Malaysia) Berhad
Menara IMC, 8 Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia
Via phone: 03-2034 8000 / 03-2034 8008
Via email to: customercomplaint@my.mufg.jp

If you are dissatisfied with the outcome of the internal dispute resolution process, you may contact Bank Negara Malaysia LINK or TELELINK:

Via phone: 1-300-88-5465
Via fax: 03-2174 1515
Via email to: bnmtelelink@bnm.gov.my
Via letter to: Bank Negara Malaysia
Jalan Dato' Onn,
P.O. Box 10922
50929 Kuala Lumpur, Malaysia

The information provided in this Product Disclosure Sheet is valid as of August 2023 and is subject to change at the Bank's discretion from time to time.