


<p>PRODUCT DISCLOSURE SHEET</p> <p>Please read this Product Disclosure Sheet before you decide to apply for the Bank Guarantees product.</p> <p>Be sure to also read the terms and conditions in the Banking Facilities Letter of Offer (the “Letter”), and the Continuing Agreement For Standby Letters Of Credit, Guarantees, Bonds And Other Credit Instruments (the “Continuing Agreement”) (which can be found at https://www.citibank.com.my/english/common/fee-charges-trade-GST.htm).</p> <p>Seek clarification from Citibank Berhad (the “Bank”) if you do not understand any part of this document or the general terms.</p>	<p>Citibank Berhad (Registration No. 199401011410 (297089-M))</p>  <p>BANK GUARANTEES</p> <p>September 1, 2020</p>
<p>1. What is this product about?</p>	
<p>A Bank Guarantee (BG) is an irrevocable undertaking issued by the Bank (the Guarantor) at the request of our customer (the Applicant) to compensate a third party (the Beneficiary) for loss (up to the specified amount set out in the BG) when the Applicant fails or defaults in fulfilling the conditions set out in the BG. These conditions are agreed between the Applicant and Beneficiary.</p> <p>The type of guarantees that can be offered to you under a BG Facility are summarized below:</p> <p><u>Bid Bonds</u></p> <p>This guarantee is provided at the request of the customer (Applicant) to support their bid for contracts from potential buyer (Beneficiary). The Bank is committing that the Applicant will not withdraw or amend its bid during the validity period of the bid, and will sign the contract or provide Performance Guarantee within the preset time once winning the bid.</p> <p><u>Performance Bonds</u></p> <p>This guarantee is used to pay the Beneficiary the amount specified in the guarantee in the event of the Applicant unable to fulfill the performance obligations under the contract signed with the Beneficiary. The amount of such bonds is usually based on a percentage of the value of the commercial contract.</p> <p><u>Advance Payment Guarantees</u></p> <p>This guarantee is an undertaking to pay, on behalf of the Applicant, the sum paid in advance under the contract by the Beneficiary to the Applicant for obligations that have not yet been performed. Contracts sometimes include provisions, which allow principals to receive advance payments from beneficiaries for purposes such as buying equipment or purchase of raw materials. The terms of such contracts normally provide that such sums advanced must be paid from (set-off against) progress payments under the contract. The Beneficiary can recover the amount paid or a part thereof under the Advance Payment Guarantee if the Applicant fails to fulfill their underlying contractual obligations.</p>	

Retention Bonds

The guarantee is issued for supporting contract which allows a certain proportion of payment to be withheld until substantial completion of the contract has taken place. The Beneficiary may be prepared to release this retention money to the principal against the submission of this guarantee.

2. What do I get from this product?

- Provides security to your customer from a reputable bank.
- Receive affirmation of a reputable bank's trust in your business.
- Facilitate your business expansion into new markets.
- Mitigate the payment default risk.

3. What are my obligations?

You are required to:-

- Pay the Bank the full guarantee amount plus charges should there be a claim from the Beneficiary. Once a claim is received and the claim is in accordance with the terms of the BG, the Bank may require payment irrespective of whether the Bank has made or has yet to make payment under the BG.
- Pay the Bank all fees and charges pursuant to the issuance of the BG as may be prescribed by the Bank from time to time.

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

Key Charges	Description
Bank Guarantee (BG) Issuance Commission	0.1% per month or part thereof of the guarantee amount (Min MYR100)
Amendments to Bank Guarantee (Non-Financial)	Min MYR100 for each amendment
Cable Fees	MYR100
Stamp Duties	As per the Stamp Act 1949 (As revised from time to time)
Postage	MYR25

Issuance commission is calculated based on the exact number of months the guarantee is valid for (From Issuance Date until BG Expiry Date including Claim Period if any).

Issuance commission for a guarantee amount of MYR100,000 for 9 months would be computed as follows:
 $MYR100,000 \times 1.2\% \text{ p.a.} \times 9 \text{ months} / 12 \text{ months} = MYR900$

5. What if I fail to fulfill my obligations?

Bank's Right To Set-Off

In the event of a default, your business/company will need to pay principal, interest, charges, additional costs and expenses incurred until the BG is fully repaid. The Bank may debit or set off amounts you owe to the Bank against any credit balance(s) in any of your account(s) with the Bank.

Late Payment Charges

Late Payment Charges will be applicable Bank's Cost of Funds + Customer Margin + 1.00% per annum will be imposed on such sum advanced by the Bank to honor the BG claim and shall be computed from the date of payment until settlement.

Legal action

Legal proceedings may be initiated against you if you fail to fulfil your obligations under the Letter, the Continuing Agreement and other agreements referred to in the Letter. In addition to the amount owing to the Bank, you may be liable to pay for all losses, costs and expenses (including legal fees) incurred by the Bank to recover the sums owed by you. Legal action against you may affect your credit rating leading to credit being more difficult or expensive to you.

6. What if I fully settle the loan before its maturity?

Not Applicable.

7. Do I need any takaful/insurance coverage?

Treasury and Trade Solutions
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Not Applicable.

8. Do I need a guarantor or collateral?

The Bank will evaluate this requirement based on internal credit assessment including your payment capabilities and other credit considerations. You may be required to place cash collateral if credit considerations apply.

9. What are the major risks?

- The BG facility is an uncommitted facility. This means:-
 - (a) the Bank has the right, at any time at its sole discretion, not to allow you to utilize the facility;
 - (b) the Bank has the right, at any time at its sole discretion, to modify, restructure, earmark, suspend or cancel the facility.
- The BG issued is an independent irrevocable undertaking by the Bank. This means that the BG is independent of the underlying commercial contract between the Applicant and the Beneficiary, where a claim from the Beneficiary is to be treated independently and thus the Applicant may be subject to the risk of fraudulent or frivolous claims by the Beneficiary.

10. 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 correspondence reach you in a timely manner.

You may reach out to our service team at malaysia.citiservice@citi.com for instructions to change your contact details.

11. Where can I get assistance or file a complaint?

- If you have difficulties in making payments, you should immediately contact your Relationship Manager for assistance.
- If you wish to speak to our Service representative, you may contact us at: Citi Service Malaysia
Phone: (603) 2383 1111
E-mail: malaysia.citiservice@citi.com
- If you wish to register a complaint on the products or services provided by us, you may contact us at:
Citibank Berhad
Level 45, Menara Citibank
165 Jalan Ampang
50450 Kuala Lumpur
Malaysia
[Email: malaysia.citiservice@citi.com](mailto:malaysia.citiservice@citi.com)
- If your query or complaint is not satisfactorily resolved by us, 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
E-mail : bnmtelelink@bnm.gov.my

12. Where can I get further information?

If you have any enquiries, please contact us at:
Citibank Berhad
Level 45, Menara Citibank
165 Jalan Ampang
50450 Kuala Lumpur

Malaysia Email: malaysia.citisevice@citi.com
13. Trade Window Operating Hours: 9.30AM to 5.30PM – Monday to Friday

The information provided in this disclosure sheet is valid as at 01/09/2020.