


<p><b>PRODUCT DISCLOSURE SHEET</b></p> <p>Please read this Product Disclosure Sheet before you decide to apply for the Export Letters of Credit 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 Negotiations/Collections/Advances (the “Continuing Agreement”)(which can be found at <a href="https://www.citibank.com.my/english/common/ee-charges-trade-GST.htm">https://www.citibank.com.my/english/common/ee-charges-trade-GST.htm</a>).</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><b>EXPORT LETTERS OF CREDIT</b></p> <p>September 1, 2020</p>
<p><b>1. What is this product about?</b></p>	
<p>A Letter of Credit (LC) is an irrevocable written undertaking, issued by the Bank (Issuing Bank) on behalf of the Buyer (the Importer) to pay the Beneficiary (the Supplier or Exporter) against stipulated documents, provided all the terms and conditions in the LC are complied with.</p> <p>Export LC refers to LC services provided to the Beneficiary for both domestic and international trade and comprise of the following key services:</p> <p><b><u>LC Advising</u></b></p> <p>The Issuing Bank provides LC to Advising Bank in the Beneficiary’s country that in turn will process the incoming LC and advise to the Beneficiary. Hence, LC Advising is a service provided to the LC Beneficiary by the Bank where the Bank assumes the role of a LC Advising bank and checks for the authenticity of all incoming LCs issued to the Beneficiary.</p> <p><b><u>LC Confirmation</u></b></p> <p>If the Beneficiary of the LC doubts the ability of the LC Issuing Bank to pay, and/or doubts the ability of the country in which it is located, he/she may arrange to have the LC “Confirmed” by another bank of a higher credit standing/reputation. The LC Confirmation constitutes a definite undertaking by the Confirming Bank to assume the obligations and liabilities in addition to that of the Issuing Bank, if documents are presented in compliance with the terms and conditions of the LC.</p> <p><b><u>LC Discounting</u></b></p> <p>LC discounting is an advance of the Export LC bill proceeds by the negotiating bank to the Beneficiary - upon presentation of complying documents with or without recourse to the Beneficiary. In the case of without recourse, the Negotiating bank is taking risk on the Issuing bank. The Bank can negotiate and advance the Beneficiary against bills drawn on sight or usance LC issued by acceptable Banks to obtain working capital prior to obtaining payment from the Issuing/Reimbursement Bank.</p>	
<p><b>2. What do I get from this product?</b></p>	

Treasury and Trade Solutions  
Citibank Berhad (Company No. 199401011410 (297089-M))

- Ability to transact with customers across the world with the assurance of payment via banking channels upon presentation of complying documents under the LC.
- Payment is guaranteed by the LC issuing bank when your documents meet the terms and conditions of the LC.
- Reduce risk of non-payment from your buyers and receive greater payment assurance especially in unpredictable and unfamiliar markets.
- Improve cash flow by receiving immediate credit of export proceeds rather than waiting for payment from the issuing bank.

### 3. What are my obligations?

- Review the LC terms and requests from the Buyer to amend the LC for any terms or dates that cannot be fulfilled prior to shipment.
- Ensure that the Buyer and the shipping documents (including transport documents) are genuine and the goods are in good order and condition.
- Ensure presentation of documents complies with the terms and conditions of the Export LC to avoid discrepancies and non-payment/acceptance from the Issuing Bank.
- Ensure sufficient funds and authorise the Bank to debit your account with the Bank for any Bank's charges, interests, costs or expenses in respect of disbursement and repayment of the Export LCs.

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

Key Charges	Description
LC Advising Fee	MYR200
LC Amendment Fee	MYR100
LC Discounting Rate	Ringgit or FCY Cost of Funds plus margin as quoted by the Bank at time of discounting
Cable Fees	MYR100
Stamp Duties	As per the Stamp Act 1949 (as revised from time to time).
Other Fees	Please refer to our schedule of fees and charges at <a href="https://www.citibank.com.my/english/common/fee-charges-trade-GST.htm">https://www.citibank.com.my/english/common/fee-charges-trade-GST.htm</a>

### 5. What if I fail to fulfill my obligations?

#### Right of Recourse

For with recourse transactions, the Bank holds the right of recourse to your business/company.

#### Bank's Right To Set-Off

In the event of a default, your business/company will need to pay all additional interest, costs, charges and expenses incurred until the loan 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

Export proceeds for LC transactions that have been financed by exporter must be paid on their respective maturity dates and if there is default in such payment, you will be charged late payment charges at the rate of 1% per annum over the LC Discounting Rate.

#### 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.

<p><b>6. What if I fully settle the loan before its maturity?</b></p> <p>Not Applicable.</p>
<p><b>7. Do I need any takaful/insurance coverage?</b></p> <p>It depends on the commercial terms between the Importer and Exporter. For example, if the commercial contract payment terms is CIF, marine insurance will be the responsibility of the Exporter.</p>
<p><b>8. Do I need a guarantor or collateral?</b></p> <p>The Bank will evaluate this requirement based internal credit assessment criteria including your payment capabilities and other credit considerations.</p>
<p><b>9. What are the major risks?</b></p> <ul style="list-style-type: none"> <li>• Country risks such as civil unrest which may result in a non-payment event from the issuing bank or a potential delay in payment.</li> <li>• Presenting non-complying documents under the LC could lead to non-acceptance by the importer.</li> <li>• For LC Discounting, the Bank holds the right of recourse to your business/company in the event of default by the issuing bank. Where financing charges are payable on maturity of the bill, your business/company is obliged to pay the interest charges on due date.</li> <li>• The Export LC Discounting/Negotiation facility is an uncommitted facility. This means:             <ul style="list-style-type: none"> <li>(a) the Bank has the right, at any time at its sole discretion, not to allow you to utilize the facility;</li> <li>(b) the Bank has the right, at any time at its sole discretion, to modify, restructure, earmark, suspend or cancel the facility.</li> </ul> </li> </ul>
<p><b>10. What do I need to do if there are changes to my contact details?</b></p> <p>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.</p> <p>You may reach out to our service team at <a href="mailto:malaysia.citiservice@citi.com">malaysia.citiservice@citi.com</a> for instructions to change your contact details.</p>
<p><b>11. Where can I get assistance or file a complaint?</b></p> <ul style="list-style-type: none"> <li>• If you have difficulties in making payments, you should immediately contact your Relationship Manager for assistance.</li> <li>• If you wish to speak to our Service representative, you may contact us at: Citi Service Malaysia Phone: (603) 2383 1111 E-mail: <a href="mailto:malaysia.citiservice@citi.com">malaysia.citiservice@citi.com</a></li> <li>• 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: <a href="mailto:malaysia.citiservice@citi.com">malaysia.citiservice@citi.com</a></li> </ul>

<ul style="list-style-type: none"><li>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 : <a href="mailto:bnmtelelink@bnm.gov.my">bnmtelelink@bnm.gov.my</a></li></ul>
<b>12. Where can I get further information?</b>
If you have any enquiries, please contact us at: Citibank Berhad Level 45, Menara Citibank 165 Jalan Ampang 50450 Kuala Lumpur Malaysia <a href="mailto:malaysia.citiservice@citi.com">Email: malaysia.citiservice@citi.com</a>
<b>13. Trade Window Operating Hours:</b> 9.30AM to 5.30PM – Monday to Friday

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