

ADDENDUM

[Which is to be taken, read, and construed as an essential part of the Short Message Service (SMS) sent by MBSB Bank and accepted by the Customer in respect of the imposition of Modification Cost under the Targeted Repayment Assistance]

A. Preamble

This Addendum contains a concise description of the definition, purpose, process, and the terms and conditions governing Modification Cost imposed under the Targeted Repayment Assistance (“Program”).

B. Definition

“Commodity” means any Shariah-compliant goods and/or commodity acceptable to MBSB Bank, purchased under the platform of any commodity trader appointed by MBSB Bank which will be transacted as the underlying asset to facilitate the Tawarruq transaction and such commodity are free from MBSB Bank’s representations or warranties as to qualify, condition, quantity, and description and without liability to MBSB Bank for any loss, damage or deterioration.

“Customer” refers to MBSB Banks’ customer who applies and accepts the offer for the Program.

“Modification Cost” (“MC”) refers to the actual losses incurred by MBSB Bank over time from not having received the original scheduled payment due to the extension of the facility tenure or reduction of the monthly payment amount as offered under the Financial Relief Program which shall be borne by Customer and payable before the maturity of the facility.

C. Applicability

The MC will be applicable to Customers who opt to apply for the said Program for their financing accounts under Property Financing-i (under the Shariah contract of Commodity Murabahah and Al-Bai Bithamal Ajil) and Personal Financing-i (under the contract of Tawarruq and Bai Inah).

This Addendum will be construed as part of the existing Facility Instruments including SMS where applicable under the Property Financing-i and Personal Financing-i and save and except for the changes hereunder all other terms and conditions in the existing Facility Instruments will remain unchanged and continue to be valid and enforceable.

D. Computation of Modification Costs

Financing modification costs are charges for losses incurred by the Bank arising from payment deferment by 3 months / 50% reduction in monthly payment for 6 months. The costs are derived based on the difference between financing value before changes to the repayment terms and financing value after changes to the repayment terms, which are computed based on effective profit rate.

E. Concept and Method of Imposition of MC

By accepting the MBSB Bank's offer of the Program which is sent through SMS, Customer hereby agree to enter into a Commodity Murabahah via Tawarruq contract to bear the MC amount. Customer shall undertake to purchase the Commodity at a Selling Price which is equivalent to the Purchase Price plus profit. The Purchase Price amount is equal to MC amount while profit amount is also equivalent to the MC amount. Illustration as below:

MC	: RM 300.00
(A) Purchase Price	: RM 300.00
(B) Profit	: RM 300.00
(C) Selling Price (A + B)	: RM 600.00

Customer hereby appoints MBSB Bank to purchase the Commodity from MBSB Bank and sell the same Commodity thereafter to a third party at an amount equivalent to the Purchase Price. The proceeds from the sale of the Commodity shall be used to settle the Purchase Price and thereupon Customers' obligation for the payment of Profit under his/her respective financing account start commences.

Customer shall be entitled to request and take physical delivery of the Commodity. In the event the Customer was to exercise such right to take physical delivery, Customer shall notify MBSB Bank and all costs and expenses in respect thereof shall be borne by the Customer.

Customer hereby undertakes to indemnify MBSB Bank to make good in full all losses, costs, and expenses resulting from any claims, proceedings, actions, requests, or any form of damages that MBSB Bank may suffer or incur as a result of fulfilling the agency functions as set out above.

F. Commodity Brokerage / Trading Fee

Commodity Brokerage / Trading Fee means fees that are imposed by the appointed service provider when MBSB Bank transacts the Tawarruq transaction as per the above and for the purposes of the imposition of ML, MBSB Bank bears the said Commodity Brokerage/Trading Fees.

G. Continuing Payment Obligation upon imposition of MC

The imposition of MC will be debited into the Customer's financing account as miscellaneous charges and will not be further compounded.

The MC will therefore be part of the Customer's indebtedness to MBSB Bank within the tenure and/or in accordance to the terms and conditions as contained hereinbefore and/or hereinafter pursuant to the imposition of MC, all rights, covenants, obligations, and liabilities between the Customer and MBSB Bank in respect thereof including but not limited to events of defaults on the part of the Customer and/or rights of recovery on the part of MBSB Bank shall remain intact and enforceable until such time when all of the Customer's indebtedness to MBSB Bank has been fully settled.

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