

PRODUCT DISCLOSURE SHEET

(Read this Product Disclosure Sheet before you decide to participate in the IKHLAS Mortgage Reducing Term Takaful. Be sure to also read the general terms and conditions.)

TAKAFUL IKHLAS BERHAD
(Registered under Islamic Financial Services Act 2013 and regulated by Bank Negara Malaysia)

IKHLAS Mortgage Reducing Term Takaful

Date: 16/8/2018

1. What is this product about?

This product is designed to provide coverage to pay the Prevailing Sum Covered to any institution (Master Takaful Participant) in the event of death of the Person Covered (who is the borrower) or if the Person Covered becomes totally and permanently disabled.

2. What are the Shariah concept applicable?

- **Tabarru'** – shall mean donation for the purpose of solidarity and cooperation among the Master Takaful Participants and to be used to help Master Takaful Participants in times of misfortune. In the context of Takaful IKHLAS, Tabarru' will be allocated into the Risk Fund.
- **Wakalah** – shall mean agency. In this context, it refers to a contract between the Company and the Master Takaful Participants where the Master Takaful Participant authorises the Company to manage the fund on his/her behalf, which allows the Company to charge a Wakalah fee.

3. What are covers/ benefits provided?

Benefits	Description
Death	<p>Upon death of the Person Covered, the Prevailing Sum Covered is payable to the institution where financing is arranged. The benefit is payable subject to the following condition:</p> <ul style="list-style-type: none"> • Pre-Existing Condition is excluded. <p>An additional Immediate Death Expense Benefit as per the amount stated in the Individual Takaful Certificate shall be paid to the next-of-kin.</p> <p>In addition, the balance in Personal Risk Investment Account (PRIA), if any, also will be payable to the Master Takaful Participant.</p>
Total and Permanent Disability	<p>Upon total and permanent disability of the Person Covered, the Prevailing Sum Covered is payable to the institution where financing is arranged. The total and permanent disability benefit is payable subject to the following conditions:</p> <ul style="list-style-type: none"> • The total and permanent disability is based on "Any occupation" definition. • The total and permanent disability benefit is payable after satisfying a qualifying period (waiting period) that such disability must last for a continuous period of not less than six (6) months in duration. • Pre-Existing Condition is excluded. <p>In addition, the balance in Personal Risk Investment Account (PRIA), if any, also will be payable to the Master Takaful Participant.</p>
Maturity	<p>Upon maturity of the Takaful Certificate, Master Takaful Participant will receive the balance amount in the PRIA, if any.</p>
Surrender	<p>Upon surrender of the Takaful Certificate, Master Takaful Participant will receive the balance amount in the PRIA, if any, after deducting the administration fee up to RM50 plus 6% Goods and Services Tax (GST) charge.</p>

4. How much Takaful Contribution do I have to pay?

The total Takaful Contribution that you have to pay varies, depending on the amount of financing arranged. In addition, there are also other factors determining the amount of Takaful Contribution, such as age, occupation type and previous medical history. For example:

- Entry Age : 19 years old
- Financing Amount : RM50,000
- Profit Rate : 5.00% p.a.
- Financing Term : 5 years (Inclusive of deferment period)
- Deferment Period : 0 years
- Sumbangan Takaful : RM143.90**

The Takaful Contribution above assume that the proposed Person Covered has no medical/health impairments, occupational risks or habits that may require additional loading on the Takaful Contribution.

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

Type	%
Wakalah Fee*	30% of Takaful Contribution or RM 43.17
Commission	10% of Takaful Contribution or RM 14.39
Stamp Duty	RM10.00

* The Wakalah fee is inclusive of the commission.

6. What are some of the key terms and conditions that I should be aware of?

- Importance of disclosure – you must disclose all material facts such as your health condition, age and occupation correctly. Takaful IKHLAS has the right to repudiate liability in the event that you failed to disclose relevant information that would affect the decision to accept or reject the risk, and on the terms to be applied to you.
- Assignment of Individual Takaful Certificate - As the Individual Takaful Certificate is issued under the Scheme with the Master Takaful Participant specified in the Master Takaful Certificate being named as the Master Takaful Participant, no assignments of Individual Takaful Certificates shall be allowed under this Master Takaful Certificate.
- Cooling-Off Period (Right of Cancellation) - Provided that a prior written notice is given by the Master Takaful Participant, within fifteen (15) days from the date of receipt of this Takaful Certificate, Master Takaful Participant may return this Takaful Certificate to the Company and the Company shall cancel it immediately upon receipt of the document and refund the Takaful Contribution less any medical expenses incurred by the Company. Once a Takaful Certificate is returned to the Company and cancelled by the Company, it shall be deemed not effective from the date of issuance.
- Investment profit arising from PRIA, if any, shall be returned to the Master Takaful Participant (through PRIA) after deducting an Investment Performance Fee of 30% from the profit. However, the Company may at its discretion deduct less than 30% Investment Performance Fee from the profit.
- It is important for you to receive receipts and keep them as proof of payment of Takaful Contributions.
- If you do not receive the Takaful Certificate after fourteen (14) days from the date of participation, please contact us.
- The Company will charge a Surplus Administration Charge (SAC) of 50% of the gross distributable surplus arising at the end of each Financial Year. The net distributable surplus arising (after deducting SAC) from the Risk Fund will be allocated in full (100%) to the Master Takaful Participant.

- The Coverage Term and Financing Term are inclusive of Deferment Period, if any. The Company will only be liable for any death or Total and Permanent Disability claim occurring within the Coverage Term.

Note: This list is non-exhaustive. Please refer to the Takaful Certificate for the terms and conditions under this Takaful Certificate.

7. What are the major exclusions under the Takaful Certificate?

a) Exclusion on Death

Should the Person Covered, whether sane or insane commits suicide within one (1) year from the Takaful Certificate effective date, dies as a result of Acquired Immune Deficiency Syndrome (AIDS) or other sexually transmitted diseases, or dies as a result of Pre-Existing Conditions, no benefit shall be payable.

b) Exclusion on Death and Permanent Disability (TPD)

This Takaful Certificate shall not cover any disability caused directly or indirectly, proximately or remotely occasioned by or contributed or traceable to or arising out of or in connection with the following occurrences:

- i) Self inflicted injury or any attempt thereat while sane or insane;
- ii) Military or naval service in time of declared or undeclared war or while under orders for war like operations or restoration of public order;
- iii) entering, operating or servicing, ascending or descending from or with any aerial device or conveyance except while the Person Covered is in an aircraft operated by a commercial passenger airline on a regular scheduled passenger trip over its established passenger route or when the Person Covered is a passenger of a fully licensed aircraft or helicopter services operating in areas not serviced by a regular scheduled passenger aircraft;
- iv) if the Person Covered is found to be infected by any Human Immunodeficiency Virus (HIV) or Acquired Immune Deficiency Syndrome (AIDS) or other sexually transmitted diseases;
- v) if the Person Covered is under the influence of alcohol or drugs other than in accordance with the direction of a registered medical practitioner;
- vi) if the Person Covered participates in a riot, or commits a criminal offence;
- vii) if the Person Covered is found to be involved in the act of terrorism where an act of terrorism shall mean an act, including but not limited to the use of force or violence and/or threat there of, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s) or government(s) committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public in fear;
- viii) Pre-Existing Conditions, and/or related or evocative conditions except those which have been fully disclosed to and accepted in writing by the Company prior to the inception of the coverage.

Note: *This list is non-exhaustive. Please refer to the Takaful Certificate for full list of exclusions under this Takaful Certificate.*

8. Can I cancel my Takaful Certificate?

(If Payment of Takaful Contribution by the Person Covered)

When you have fully settled your Financing Facility prior to the maturity date, you may request to cancel your Takaful Certificate at any time by giving written notice and valid discharge to Takaful IKHLAS. Upon cancellation, you are entitled to the balance amount in the PRIA.

(If Payment of Takaful Contribution by the Master Takaful Participant)

When you have fully settled your Financing Facility prior to the maturity date, the Master Takaful Participant may request to cancel your Takaful Certificate at any time by giving written notice to Takaful IKHLAS. Upon cancellation, the balance amount in the PRIA will be refunded to the Master Takaful Participant.

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.

10. Where can I get further information?

Should you require additional information on 'Family Takaful', please refer to insuranceinfo booklet on 'Family Takaful', available at all our branches or you can obtain a copy from our Takaful agent or visit www.insuranceinfo.com.my

If you have any enquiries, please contact us at:

Takaful Ikhlas Berhad
Jabatan CRM
IKHLAS Point, Tower 11A, Avenue 5
Bangsar South, No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel: +603 2723 9999
Fax: +603 2723 9998
Web site: www.takaful-ikhlas.com.my
E-mail: ikhlascare@takaful-ikhlas.com.my

11. Other types of cover available?

IKHLAS Group Credit Term Takaful

IMPORTANT NOTE :

PARTICIPATING IN A FAMILY TAKAFUL PLAN IS A LONG TERM FINANCIAL COMMITMENT. YOU MUST CHOOSE THE TYPE OF TAKAFUL CERTIFICATES THAT BEST SUITS YOUR PERSONAL CIRCUMSTANCES. YOU SHOULD READ AND UNDERSTAND THE TAKAFUL CERTIFICATE AND DISCUSS WITH THE AGENT OR CONTACT THE TAKAFUL OPERATOR DIRECTLY FOR MORE INFORMATION.

PURSUANT TO PARAGRAPH 5 OF SCHEDULE 9 OF THE ISLAMIC FINANCIAL SERVICES ACT 2013, IF YOU ARE APPLYING FOR THIS TAKAFUL WHOLLY FOR PURPOSES UNRELATED TO YOUR TRADE, BUSINESS OR PROFESSION, YOU HAVE A DUTY TO TAKE REASONABLE CARE NOT TO MAKE ANY MISREPRESENTATION IN ANSWERING THE QUESTIONS IN THE PROPOSAL FORM (OR WHEN YOU APPLY FOR THIS TAKAFUL). YOU MUST ANSWER THE QUESTIONS FULLY AND ACCURATELY.

FAILURE TO TAKE REASONABLE CARE IN ANSWERING THE QUESTIONS MAY RESULT IN VOIDANCE OF YOUR CONTRACT OF TAKAFUL, REFUSAL OR REDUCTION OF YOUR CLAIM(S), CHANGE OF THE TERMS OR TERMINATION OF YOUR CONTRACT OF TAKAFUL.

THE ABOVE DUTY OF DISCLOSURE SHALL CONTINUE UNTIL THE TIME YOUR CONTRACT OF TAKAFUL IS ENTERED INTO, VARIED OR RENEWED WITH US.

IN ADDITION TO ANSWERING THE QUESTIONS IN THE PROPOSAL FORM (OR WHEN YOU APPLY FOR THIS TAKAFUL), YOU ARE REQUIRED TO DISCLOSE ANY OTHER MATTER THAT YOU KNOW TO BE RELEVANT TO OUR DECISION IN ACCEPTING THE RISKS AND DETERMINING THE RATES AND TERMS TO BE APPLIED.

YOU ALSO HAVE A DUTY TO TELL US IMMEDIATELY IF AT ANY TIME AFTER YOUR CONTRACT OF TAKAFUL HAS BEEN ENTERED INTO, VARIED OR RENEWED WITH US ANY OF THE INFORMATION PROVIDED IN THE PROPOSAL FORM (OR WHEN YOU APPLIED FOR THIS TAKAFUL) IS INACCURATE OR HAS CHANGED.

The information provided in this disclosure sheet is valid as at 16/08/2018