

IKHLAS COMPREHENSIVE PERILS TAKAFUL CERTIFICATE

SALAM SEJAHTERA AND THANK YOU

For choosing Takaful IKHLAS as your Comprehensive Perils cover Takaful provider.

INTRODUCTION

The Participant and the Company hereby agree that:

1. The Proposal shall be incorporated and be the basis of the Certificate.
 2. The Participant agrees to pay the Contribution in accordance with the Schedule.
 3. The Proposal Form completed fully and faithfully shall be a condition precedent to any liability of the Company.
 4. The Takaful coverage is subjected to the terms of this Certificate including provisions in respect of territorial limits and the Period of Takaful coverage specified in the Schedule.
 5. The relationship between the Company and the Participant in this Certificate shall be governed by, and interpreted in accordance with Malaysian Law.
-

DEFINITIONS

Under this Certificate:

1. **“Certificate”** means consisting at all Proposals and Schedules attached hereto and annexed together with this Certificate shall be complementary with one another.
2. **“the Company”** means Takaful Ikhlas Berhad, its successors or assigns.
3. **“Contribution”** means any amount the Company requires the Participant to pay to participate in a Takaful plan.
4. **“Endorsement”** means written alteration to the terms, conditions and limitations of this Certificate which is shown on the Schedule.
5. **“Excess”** means the amount the Participant must pay towards a claim before the Company pays.
6. **“Full theft”** shall mean loss or damage without any actual forcible and violent entry into or exit from any building at the premises or without any assault or violence to any person or threat thereof.
7. **“General Risk Investment Account (GRIA)”** means the account where initial remittance of the Participant’s Contribution for a General Takaful product is made.
8. **“the Participant”** means the person named in the Schedule as “the Participant”.
9. **“Period of Takaful”** means the period of Takaful shown in the Schedule.
10. **“Proposal”** means the Proposal signed by the Participant and other information that the Participant or anyone acting on behalf of the Participant has given to the Company.

11. **“Qard”** shall mean interest-free loan method.
12. **“Risk Fund”** means a pool of fund based on the concept of Tabarru’ providing mutual protection and indemnity among the Participants.
13. **“Schedule”** means the Certificate Schedule where both the covered items and sum covered are specified.
14. **“Tabarru”** means donation for the purpose of solidarity and cooperation among the Participants and to be used to help Participants in times of misfortune. In the context of Takaful IKHLAS, Tabarru’ will be allocated into the Risk Fund.
15. **“Takaful”** means a scheme based on brotherhood, solidarity and mutual assistance which provides for mutual financial aid and assistance to the participants in case of need whereby the participants mutually agree to contribute for that purpose.
16. **“Wakalah”** means agency. In this context, it refers to a contract between Company and the Participant where the Participant authorizes the Company to manage the fund on his/her behalf, which allows the Company to charge a Wakalah fee.
17. **“Warranties”** means either restriction or obligation that the Certificate imposes on the Participant. A breach of a warranty will entitle the Company to reject the claim for loss or damage or liability.

COVERING CLAUSE

The Company will by payment (or at its option by repair, reinstatement or replacement) indemnify the Participant if during any Period of Takaful any of the property described in the Schedule is loss or damage by accidental cause (not herein excepted) while

(a) within the situation described in the Schedule

or

(b) in transit (including loading and unloading) within Malaysia and Singapore other than by sea or by air.

The maximum amount payable by the Company in any Period of Takaful shall not exceed so far as each item is concerned the sum covered thereon or in all the total sum covered.

CONDITIONS

The Proposal including all future or subsequent Proposal or Schedule thereof shall be read together and shall form as an integral part of this Takaful Certificate. Any word or expression to which a specific meaning has been attached in any part of the Proposal, in the Schedule, or the Certificate shall bear such meaning wherever it may appear.

1. NOTICE

Every notice or communication to be given or made under this Certificate shall be delivered in writing to the Head Office or any Branch Office of the Company. No changes in this Certificate shall be valid unless approved by the Company and duly endorsed by an authorized representative of the Company.

2. DUTY OF CARE

The Participant shall at his own expense take all reasonable precautions to prevent accidents and maintain in an efficient condition any property described in the Schedule and comply with any statutory requirements and manufacturers recommendations.

3. PROOF OF LOSS

The Participant shall if required by the Company produce or give access to any property alleged to be damaged and the Participant shall be bound to satisfy the Company by such reasonable evidence as the Company may require that the loss or damage in respect of which a claim is made has actually arisen from one of the risks covered against.

4. RIGHTS OF ACCESS

The Company's official shall at all reasonable times have the right of access to the premises in which the machine is situated and shall be entitled to delegate a representative to be present at the time of any overhaul or inspection of the machines.

5. CHANGE OF RISKS

If after the acceptance of this Takaful by the Company, should there be any changes in the circumstances of the risks covered, the Participant shall forthwith give notice thereof to the Company. The Company shall not be liable in respect of loss or damage occurring subsequent to such change unless its written acceptance of those changes thereof has been duly received.

6. TRANSFER OF INTEREST

The Company shall in no case be bound to accept notice of any transfer of interest arising hereunder and nothing herein contained shall give any right against the Company to any person other than the Participant except to a transferee approved by the Company.

7. CLAIM NOTIFICATION

In the event of any occurrence of the events which might give rise to a claim under this Certificate the Participant shall:

- (a) immediately notify the Company by telephone or telex as well as by letter giving an indication as to the nature and extent of loss or damage;
- (b) take all reasonable steps within his power to minimize the extent of the loss or damage;
- (c) preserve the damage of defective parts and make them available for inspection by an official or surveyor of the Company;
- (d) furnish all such information and documentary evidence as the Company may require

The Company shall not be liable for any loss or damage of which no notice has been received by the Company within fourteen (14) days of the occurrence of such events.

The Participant shall take all practical steps including in the case of goods lost or stolen or willful damage thereto to give immediate notice to the police as proof of his / her attempt to recover any property lost and in case of theft or willful damage and to discover the guilty person or person and have him, her or them prosecuted at the expense of the Company. The Participant shall not repair, replace, negotiate, pay, settle, admit or repudiate any claim under the Certificate without the written consent of the Company. The Participant shall not in any case be entitled to abandon any of the property whether taken possession by the Company or not.

8. AVERAGE

If the total of the property covered under an item at the time of loss or damage is collectively of higher value than the sum covered stated in the Schedule, then the Participant will be responsible for the difference and bear a proportional share of the loss. The sharing of proportional loss will apply separately to each item covered.

9. INDEMNITY

- (a) In cases where damage to a covered item can be repaired the Company will pay all expenses necessarily incurred to restore the damaged item to its condition immediately before the occurrence of the damage plus the cost of dismantling and re-erection for the purpose of affecting the repairs as well as ordinary freight to and from a repair shop and customs duties if any to the extent that such expenses have been included in the sum covered. If any parts are found to be unprocurable the Company's liability shall be limited to the manufacturers' or supplies' latest price thereof and any salvage shall be taken into account. Any extra charges incurred for overtime, night-work, work on public holidays, express freight etc. are not covered by this Takaful. The cost of any alterations, additions, improvements or overhauling undertaken at the time of such repairs and the cost of any provisional repairs and the consequences thereof shall not be recoverable under the Certificate;
- (b) In cases where a covered item is totally destroyed the Company shall pay the actual value of the item immediately before the occurrence of the loss including ordinary freight by sea or land, costs of erection and customs duties if any, such actual value to be calculated by deducting proper depreciation from the replacement value of the item. The Company will also pay any normal charges for the removal of the property destroyed;
- (c) All damage which can be repaired shall, however, be repaired but if the cost of the repairs as detailed herein above equals or exceeds the actual value of the property covered immediately before the occurrence of the damage then settlement shall be made on the basis provided for in (b) above;
- (d) In both cases detailed in Condition 9(a) and (b) the indemnity paid will be equal to the sum so ascertained less than value of any salvage and subject to the application of Average if necessary and deduction of the Excess.

10. SUBROGATION

The Company is entitled to undertake in the Participant's name and on the Participant's behalf:

- (a) The full conduct, control and settlement of any proceedings;
- (b) Recover compensation or secure Indemnity from any third party in respect of anything covered by this Certificate.

at the Company's own expense and benefit.

11. ARBITRATION

Any difference on the amount of any loss or damage between the Participant and the Company shall be referred to an Arbitrator who shall be appointed in writing by the Participant and the Company. In case the Participant and the Company are unable to agree on a single Arbitrator, within two (2) months of being required in writing to do so by either party, then the Participant and the Company shall be entitled to appoint an Arbitrator each who shall appoint an Umpire to preside over their meetings. However, one (1) party is at liberty to appoint a sole Arbitrator, should the other party within two (2) months of the written notice fail to appoint the other Arbitrator.

The costs of arbitration and awards shall be decided by the Arbitrator, Arbitrators or Umpire.

The Participant and the Company clearly agree that the awards by the Arbitrator, Arbitrators or Umpire shall be obtained first before the Participant can commence legal proceedings on the Company.

12. FRAUD

If the claim be in any respect fraudulent, or if any false declaration be made or used in support thereof, or if any fraudulent means or devices are used by the Participant or any one acting on his behalf to obtain any Benefit under this Certificate; or, if the loss or damage be occasioned by the willful act, or with the connivance of the Participant; or, if the claim be made and rejected and an action or suit be not commenced within three (3) months after such rejection, or (in the case of an Arbitration) within three (3) months after the Arbitrator or Arbitrators or Umpire shall have made their award, all Benefit under this Certificate shall be forfeited.

13. OTHER TAKAFUL/ INSURANCE

If at the time any claim arises under this Certificate and should there be any other Takaful covering the same loss, damage or liability the Company shall not be liable to pay or contribute more than its rateable proportion of any claim for such loss, damage or liability.

14. CANCELLATION

This Takaful under the Certificate may be cancelled at any time at the request of the Participant, in which case the Company will refund the pro rata Contribution for the unexpired period of cover. This Takaful under the Certificate may also be cancelled for any reasons whatsoever at the option of the Company by sending fourteen (14) days' notice by registered letter to the Participant at his last known address, in which case the Company shall not be liable to repay for the losses incurred on the same basis as described earlier.

Note: A handling fee of RM10.00 will be charged in the event of cancellation made by the Participant.

15. CONTRIBUTION ALLOCATION

Payment of the Takaful Contribution paid by the Participant as shown in the Schedule shall be placed in the GRIA where the Company will manage according to the Wakalah principle as defined by the Company and in accordance with Shariah principles. The Company will charge up to 40% of the Contribution as an upfront Wakalah Fee and the balance shall be allocated into the Risk Fund at inception for Tabarru' charges and be used to help other Participants in time of misfortune.

16. SURPLUS

At each financial year-end, the Actuary will assess the surplus position of the Risk Fund.

The Company will charge a Surplus Administration Charge (SAC) of 50% of the gross distributable surplus arising at the end of the financial year. However, the Company may at its discretion and where appropriate charge SAC less than 50% of the gross distributable surplus.

Any net distributable surplus arising (after deducting the SAC) from the Risk Fund will be allocated in full (100%) to the Participant. If the amount due to Participant is less than RM10 per Certificate, the amount shall be retained in the Risk Fund.

Any deficit in the Risk Fund will be met through an interest free loan (Qard) from the Shareholders' Fund. Such loan would be a first charge against the future surplus arising from the Risk Fund.

If there is a deficit in the Risk Fund due to the Company's negligence, then it is the responsibility of the Company to ensure that the fund is stable through outright transfer method and not deemed as an advance through the Qard.

17. OBSERVANCE AND FULFILLMENT OF CONDITIONS

The due observance and fulfillment of the terms, conditions and Endorsements of this Certificate in so far as they relate to anything to be done or complied with by the Participant or the Participant and the truth of any statements or declaration in the Proposal and Declaration shall be deemed conditions precedent to any liability of the Company for which compensation is payable.

18. GOVERNING LAW

This Certificate including all its Proposals and Schedules is subject to Bank Negara Malaysia guidelines or any at other subsidiary legislation, rules, regulation, directions or orders from other regulatory authority.

19. TIME

Time wherever mentioned in this Certificate, shall be the essence of the agreement.

20. GOODS AND SERVICES TAX (GST)

Our charges exclude tax that would be imposed by the government and/or the authority in the future (including Goods and Services Tax (GST)). Upon implementation of the GST, we shall be entitled to recover the GST from you in respect of this Takaful Certificate that is required under the law.

EXCLUSIONS

This Certificate does not cover:

1. the first amount of each and every loss specified as Excess in the Schedule unless by fire or explosion; if more than one item is lost or damaged in one occurrence, the Participant shall not, however, be called upon to bear more than the highest single deductible applicable to such items.
2. loss of or damage to any item by its own explosion or collapse due to force of internal steam or other fluid pressure mechanical or electrical breakdown failure breakage or derangement. Nothing contained in this Exclusion shall however be construed as excluding from the cover provided by this Certificate damage to any item directly due to its impact or collision with anything external to the item which may arise as a result of mechanical or electrical breakdown failure or breakage.
3. loss or damage caused by testing or intentional overloading of any property or any experiment involving the imposition of abnormal conditions.
4. loss or damage caused by foundations, masonry, exchangeable or replaceable parts and attachment such as flexible drives, tools used for cutting, drilling, grinding, polishing, or similar purposes or moulds, patterns, pulverizing, and crushing surfaces, screens and sieves, refractory linings, ropes, belts, chains, elevator and conveyor bands' batteries, tyres, connecting wires and cable, flexible pipes, jointing and packing materials, unless such loss or damage arises out of an accident for which the Company is responsible to other parts of the property.
5. loss of or damage to cash, bank notes, currency notes, coins, cheques, postal and money orders, bills of exchange, bonds, giro cheques and drafts, credit company sales vouchers, credit cards, luncheon vouchers, gift tokens, trading stamps, postage stamps and stamps of any other kind securities of any description jewellery, precious stones, precious metals, bullion, furs, curiosities, rare books or works of art.
6. loss of or damage to
 - (a) hand held phone, mobile phone, walkie-talkie, computer notebook, palmtop and electronic personal organizer, portable video camera, camcorder, portable photographic equipments
 - (b) the contents of machines

unless such item(s) or contents are specifically mentioned in the Schedule.

7. corruption of data media or programmes unless directly resulting from physical loss or damage to the property.
8. wear and tear, corrosion or deterioration due to atmospheric conditions or otherwise or scratching of painted or polished surfaces.
9. loss of use of any property or depreciation contamination consequential loss or consequential damage and legal liability of any kind or description.
10. loss or damage arising out of the willful act or gross negligence of the Participant.
11. loss or damage occasioned by Full Theft or larceny or any attempt thereat.
12. any shortage discovered by an inventory is not covered unless such shortage can be reasonable shown to have been occasioned by theft or attempt thereat.
13. losses caused by infidelity of Participant's employees or persons to whom the Participant property is entrusted.
14. loss or damage to any item whilst let out on hire or on loan.
15. loss or damage to any item whilst being used on a public road under its own power.
16. loss or damage or consequential loss occasioned directly or indirectly by or through or in consequence of any of the following occurrences namely:
 - (a) permanent or temporary dispossession of any building resulting from confiscation nationalization commandeering or requisition by any lawfully constituted authority
 - (b) permanent or temporary dispossession of any building resulting from the unlawful occupation of such building by any person

provided that the Company is not relieved of any liability to the Participant in respect of physical damage to the property covered occurring before dispossession which is otherwise covered by this Certificate.

- (c) the destruction of property by order of any public authority.
17. loss or damage directly occasioned by pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speeds.
18. any losses, damages, liability, costs or expenses of whatsoever nature directly or indirectly caused by, resulting from or through or in consequence of or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss.
 - (a) war, invasion, act of foreign enemy, hostilities, or war-like operations (whether war be declared or not), civil war. Permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority. Mutiny, civil commotion, riot, strike, lockout, labour disturbances assuming the proportions of or amounting to a popular rising, military rising, insurrection, rebellion, revolution, military, or usurped power, martial law or state of siege or any of the events or causes which determine the proclamation or maintenance or martial law or state of siege.

Losses, damages, costs or expenses of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, prevention, suppressing or in any way relating to the above are also excluded.

If the Company allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance, the burden of proving the contrary shall be upon the Participant.

In the event of any portion of this exclusion is found to be invalid or unenforceable, the remainder shall remain in full force or effect.

- (b) Any act of terrorism. For the purpose of this exclusion, an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, 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), which from its nature or context done for, or in connection with political, religious, ideological, ethnic, or similar purposes or reasons, including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This exclusion also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism.

If the Company allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this Takaful, the burden or proving the contrary shall be upon the Participant.

In the event any portion of this portion of this exclusion is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

Any loss or damage happening during the existence of abnormal conditions (whether physical or otherwise) which are occasioned by or through or in consequence, directly or indirectly, of any of the said occurrences shall be deemed to be loss or damage which is not covered by this Takaful, except to the extent that the Participant shall prove that such loss or damage happened independently if the existence of such abnormal conditions.

19. loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss,

- (a) any legal liability of whatsoever nature,

directly or indirectly caused by or contributed to by or arising from ionizing radiation or contamination by radio-activity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel. For the purpose of this Exception only, combustion shall include any self-sustaining process of nuclear fission.

20. Any loss, destruction, damage or legal liability directly or indirectly caused by or contributed to by or arising from nuclear weapons material.

21. Any loss or damage caused to the covered property by any breach of Civil or Syariah Law and principles by the Participant or otherwise from any other causes prohibited by Syariah Law and principles.

THIS CERTIFICATE AND ITS CONDITIONS SHOULD BE EXAMINED IMMEDIATELY UPON RECEIPT HEREOF BY THE PARTICIPANT AND IF INCORRECT RETURNED AT ONCE FOR ALTERATION. AND THE PARTICIPANT CONTINUANCE SUBSCRIPTION OF THE TAKAFUL COVERAGE PLANS DEEMED AS THE PARTICIPANT ACCEPTANCE AND AGREE TO BE BOUND AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS CERTIFICATE.

IMPORTANT NOTICE

We care about the service that we provide for our customers, and our staff makes every effort to maintain as high a standard as possible. In the event that we do not meet your expectations and you are dissatisfied in some way, we would like to know and would ask you to write to our:

**Customer Relationship Management,
Takaful Ikhlas Berhad, IKHLAS Point,
Tower 11A, Avenue 5, Bangsar South,
No. 8 Jalan Kerinchi,
59200 Kuala Lumpur**

Telephone: 03-27239999

Fax No: 03-27239998

E-mail Address: complaints@takaful-ikhlas.com.my

We will make sure that your case is examined thoroughly. In the event that you are still not satisfied, you must address your complaint to the following entities for investigation into unfair market practices by Takaful Operators / Insurers.

| | |
|--|--|
| <i>Financial Mediation Bureau</i> <i>Level 14, Dataran Kewangan Darul Takaful No 4, Jalan Sultan Sulaiman 50000 Kuala Lumpur. Tel : 03-2272 2811 Fax : 03-2274 5752 E-mail address: enquiry@fmb.org.my</i> | <i>Contact Centre (BNMTELELINK)</i> <i>Laman Informasi Nasihat dan Khidmat (LINK) Bank Negara Malaysia P.O. Box 10922 50929 Kuala Lumpur Tel : 1-300-88-5465 (1-300-88-LINK) Fax : +603-2174-1515 E-mail: bnmtelelink@bnm.gov.my</i> |
|--|--|

WARRANTIES/ CLAUSES

The following Warranties/ Clauses only apply to this Certificate when specifically mentioned in the Schedule and subject otherwise to the terms of this Certificate.

CP01 CO TAKAFUL CLAUSE

It is hereby declared and agreed notwithstanding anything contained in the within Certificate, or on any endorsement hereon to the contrary that any reference to “the Company” shall be deemed to mean the following Companies each of which agrees for its individual proportion set against its name subject to the terms, exceptions and conditions herein or attached hereto or endorsed hereon, that if during the Period of Takaful stated in the Schedule the Participant shall sustain loss or damage in the circumstances provided for by this Certificate Indemnify the Participant in the manner herein described:

| Company | Proportion |
|------------------------------|-------------------|
| As specified in the Schedule | |

It is further declared and agreed notwithstanding anything contained to the contrary that the lead notice on other Takaful / Insurance, is authorized to sign the Certificate/ Endorsement/ Renewal Receipt.

For all intents and purposes this Certificate shall have effect as though each of the above-mentioned Takaful/ Insurance companies had issued a separate Certificate for its individual proportion of the sum covered.

Subject otherwise to the terms and conditions of this Certificate.

CP02 REINSTATEMENT OF LOSS CLAUSE

In consideration of the Participant undertaking to pay an additional Contribution at the agreed rate on the amount of loss calculated on a pro-rata basis from the date of such; loss to the expiry of the current Period of Takaful, it is agreed that in the event of loss the Takaful hereunder shall be maintained in force for the full sum covered.

Subject otherwise to the terms, conditions and exclusions of the Certificate.

CP03 REPLACEMENT VALUE CLAUSE

In the event of the property covered being lost, destroyed or damaged the basis upon which the amount payable is to be calculated shall be:-

- (i) where the property covered is lost or destroyed its replacement by similar make and/or model in a condition equal to but no better or more extensive than its condition when new
- (ii) where the property covered is damaged or destroyed in part the Company’s liability shall not exceed the sum representing the cost which could have been paid if the property covered had been wholly destroyed.

Provided that

- 1) Where subject matter covered is damaged or destroyed in part the Company’s liability shall not exceed the sum representing the cost which could have been paid if the property covered had been wholly destroyed.
- 2) If at the time of restoration or repair the sum representing the cost which would have been incurred in replacement if the whole of the property covered had been destroyed exceeds the sum covered by such item at the time of the loss, destruction or damage then the amount payable shall be proportionately reduces. Every item, if more than one of the Certificates shall be separately subject to this proviso.

Subject otherwise to the terms, conditions and exclusions of the Certificate.

CP04 LEASING MEMORANDUM

It is hereby understood and agreed that the Financial Institution named in the Schedule (hereinafter referred to as the lessors) are the owners of the property covered by and that such property is the subject of a Leasing Agreement made between the lessors of the one part and the Participant of the other part and it is further understood and agreed that the lessors are interested in any monies which but for this Memorandum could be payable to the Participant under this Certificate in respect of loss of or damage to the property (which loss or damage is not made good by repair reinstatement or replacement under the terms of the Certificate) and such monies shall be paid to the lessors as long as they are the owners of the property and their receipt shall be a full and final discharge to the Company in respect of such loss or damage. Save as by this Memorandum expressly agreed nothing herein shall modify or affect the rights and liabilities of the Participant or the Company respectively under or in connection with this Certificate.

Non-Cancellation Clause

And it is further agreed that cancellation of the Certificate shall not be effected by the Participant except upon prior notification to the Lessors in writing giving fourteen (14) days notice to the last known address of the Lessor.

Subject otherwise to the terms and conditions of this Certificate.

CP05 PAIRS AND SETS CLAUSE

It is hereby declared and agreed that notwithstanding anything contained in the Certificate to the contrary, where any covered item consists of articles in a pair or set, the Company shall not be liable to pay more than the proportionate value of any particular part or parts which may be lost, without reference to any special value which such article may have as part of such pair or set.

Subject otherwise to the terms and conditions of this Certificate.

CP06 DESIGNATION CLAUSE

For the purpose of determining where necessary the item under which any property is covered, the Company agrees to accept the designation under which such property is entered in the Participant's books.

Subject otherwise to the terms and conditions of this Certificate.

CP07 MARKET VALUE CLAUSE

It is hereby understood and agreed that in the event of a loss to the property covered herein, the limit of indemnity of the Company from the manufacturer, authorized sole agent or agent, authorized broker, authorized distributors or building contractor of the cost of replacement or reinstatement, subject to the application of appropriate depreciation, of the covered property damaged or lost as it was at the time of the occurrence of such damage or loss. In the event that there is, at the time of damage or loss no manufacturer, authorized sole agent or agent, authorized broker, authorized distributors or building contractor for the Participant property, the valuation shall be obtained from a Loss Adjuster licensed under the Takaful Act 1984 or Registered Valuer under the Valuers and Appraisers Act, 1981 and be mutually appointed by both parties. The valuation of the Participant property by the manufacture authorized sole agent or agent, authorized broker, authorized distributor, building contractor, Loss Adjuster licensed under the Takaful Act 1984 or Registered Valuer under the Valuers and Appraisers Act, 1981 shall be conclusive evidence in respect of the market value of the Participant property in any legal proceedings against the Company.

Subject otherwise to the terms and conditions or exceptions of this Certificate.

CP08 CAPITAL ADDITIONS CLAUSE

It is hereby declared and agreed that this Certificate extends to cover alterations, additions and improvements (but not appreciation in value in excess of the sum covered) to property specified in the Schedule of this Certificate for an amount not exceeding 10% of total sum covered or RM 500,000.00 whichever is the lesser, it being agreed that the Participant must undertake to advise the Company within ninety (90) days from the date of such alterations, additions and improvements and to pay the appropriate additional Contribution thereon.

For the purpose of this clause, the inception date under the Contribution Warranty shall be deemed to be the date of declaration received by the Company.

Subject otherwise to the terms and conditions of this Certificate.

CP09 PAYMENT ON ACCOUNT

It is understood that in the event of loss or damage under this Takaful, the Company will make payment on account in respect of such loss to the Participant if desired.

Subject otherwise to the terms, conditions and exclusions of the Certificate.

CP10 TEMPORARY REMOVAL CLAUSE

The property covered under this Certificate is covered (limit to 10% of the sum covered) whilst temporarily removed for cleaning, renovation, modification, repair or other similar purpose, elsewhere on the same or to any other premises and in transit thereto and there from by road, rail or inland waterway, all in the Republic of Singapore and Malaysia.

The amount recoverable under this extension in respect of the property so removed shall not exceed the amount which would have been recoverable had the loss or damage occurred in that part of the premises from which the property is temporarily removed.

Subject otherwise to the terms, conditions and exclusions of the Certificate.

CP12 APPRAISEMENT CLAUSE

If the aggregate claim for any one loss does not exceed RM 5,000 or 5% of the sum covered whichever is the lesser amount by the item or items affected no special inventory or appraisal of the undamaged property shall be required.

Subject otherwise to the terms and conditions of his Certificate.

CP13 REMOVAL OF DEBRIS

The Takaful hereby extends to cover cost and expenses necessarily incurred by the Participant in the:

- (a) removal of debris
- (b) dismantling and/or demolishing
- (c) shoring up or propping

of the portion or portions of the property Participant by this Certificate destroyed or damage by the perils hereby covered.

Provided always the Company's maximum liability shall not exceed the sum stated in the Schedule for which the item(s) is/are covered.

Subject otherwise to the terms, conditions and exclusions of the Certificate.

CP14 TEMPORARY STORAGE

The property (excluding buildings) covered under this Certificate is covered whilst temporarily stored anywhere in Malaysia and Singapore

- (a) the period of temporary storage shall not exceed sixty (60) days.
- (b) the liability of the Company is limited to as specified in the Schedule for property covered under this Clause.
- (c) the Company shall not be liable for any loss or damage to the property whilst in transit (including the processes of loading and unloading incidental to such transit).
- (d) this Takaful coverage does not apply to property in so far as it is otherwise nor does it apply to motor vehicles and motor chassis licensed for road use or being used on a road as defined in the Road Transport Act 1987 (including accessories thereon).

CP16 MAINTENANCE WARRANTY

It is warranted that during the continuance of this Certificate

- (a) the Participant shall overhaul and maintain each machine in good working order to a standard which is at least in accordance with the applicable manufacturers/supplies recommended maintenance and overhaul schedules and that it shall not be overloaded;
- (b) the Participant shall at his own expense arrange for each crane, lift, boiler or other pressure vessel (or where specially requested by time Company any other machine) to be thoroughly examined by a competent person in accordance with Government of Malaysia or other related laws and regulations, but in any event at intervals of not more than 12 months for each crane, lift or boiler and 24 months for other pressure vessels.

CP17 INTERNAL REMOVAL

It is understood and agreed that in the event of removal of property from one building to another at any of the aforesaid situations being inadvertently not advised to the Company the inductance on such property shall follow removal, the necessary adjustments in, sum covered and Contribution being made as from the date of removal as soon as the oversight is discovered.

CP18 VEHICLE LOAD

In the event of any of the Participant's vehicles being left overnight whilst in or on the premises described in the specification hereto the Company will indemnify the Participant in respect of such load in the event or damage by any of the perils covered against by this Certificate.

CP19 DATE RECOGNITION CLAUSE

It is noted and agreed that this Certificate is hereby amended as follows:-

- A. The Company will not pay for any loss or damage including loss of use with or without physical damage or any consequential loss directly or indirectly caused by, consisting of, or arising from, the failure or inability of any computer, data processing equipment, media microchip, operating systems, microprocessors (computer chip), integrated circuit or similar device, or any computer software, whether the property of the Participant that results from the failure or inability of such device and/or software as listed above to:-

1. correctly recognize any date as its true calendar date;
 2. capture save, or retain, and/or correctly manipulate, interpret or process any data or information or command or instruction as a result of treating any date other than as its true calendar date; and/or
 3. capture, save, retain or correctly process any data as a result of the operation of any command which has been programmed into any computer software, being a command which causes the loss of data or the inability to capture, save, retain or correctly process such data on or after any date.
- B. It is further understood that the Company will not pay for the repair or modification of any part of any electronic data processing system or any part of any device and/or software as listed above in A.
- C. It is further understood that the Company will not pay for any loss or damage including loss of use with or without physical damage or any consequential loss directly or indirectly arising from any advice, consultation, design, evaluation, inspection, installation, maintenance, repair or supervision done by the Participant or for the Participant or by or for others to determine, rectify or test, any potential or actual failure, malfunction or inadequacy described in A above.
- D. It is further understood that the Company will not pay for any consequential loss resulting from any continuing inability of the computer and equipment described in A above to correctly recognize any date as its true calendar data after the lost or damaged property has been replaced or repaired.

Such loss or damage or any consequential loss referred to in A, B, C or D above, is excluded regardless of any other cause that contributed concurrently or in any other sequence to the same.

Subject otherwise to the terms, conditions and exclusions of the Certificate.

CP21 CONTRIBUTION WARRANTY

It is fundamental and absolute special condition of this Certificate of Takaful that the contribution due must be paid and received by the Company within sixty (60) days from the inception date of this Certificate/ Endorsement/ renewal Certificate.

If this condition is not complied, this Certificate is automatically cancelled and the Company shall be entitled to the pro rata Contribution on the period they have been on risk.

Where the Contribution payable pursuant to this warranty is received by an authorized agent of the Company, the payment shall be deemed to be received by the Company for the purposes of this warranty and the onus of proving that the Contribution payable was received by a person, including a Takaful agent, who was not authorized to receive such Contribution shall lie on the Company.

Subject otherwise to the terms and conditions of this Certificate.

CP22 STRIKE, RIOT AND CIVIL COMMOTION

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Certificate or endorsed thereon, and subject to the Participant having paid the agreed extra Contribution this Certificate shall be extended to cover loss or damage due to strike, riot and civil commotion which for the purpose of this Endorsement shall mean (subject always to the Special Conditions hereinafter contained) loss of or damage to the property covered directly caused by

1. the act of any person taking part together with others in any disturbance of the public peace (whether in connection with a strike or lock-out or not) not being an occurrence mentioned in Condition 2 of the Special Conditions hereof,

2. the action of any lawfully constituted authority in suppressing or attempting to suppress any such disturbance or in minimizing the consequences of any such disturbance,
3. the willful act of any striker or locked out worker done in furtherance of a strike or in resistance to a locked out,
4. the action of any lawfully constituted authority in preventing or attempting to prevent any such act or in minimizing the consequences of any such act.

Provided that it is hereby further expressly agreed and declared that

1. all the terms, exclusions, provisions and conditions of the Certificate shall apply in all respects to the Takaful granted by this extension save in so far as the same are expressly varied by the following Special Conditions, and any reference to loss or damage in the wording of the Certificate shall be deemed to include the perils hereby covered against,
2. the following Special Conditions shall apply only to the coverage granted by this extension, and the wording of the Certificate shall apply in all respects to the coverage granted by the Certificate as if this Endorsement had not been made thereon.

Special Conditions

1. This Takaful shall not cover
 - (a) loss or damage resulting from total or partial cessation of work or the retarding, interruption or cessation of any process or operation,
 - (b) loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority,
 - (c) loss or damage occasioned by permanent or temporary dispossession of any building resulting from the unlawful occupation by any person of such building,
 - (d) consequential loss or liability of any kind or description, any payments over and above the indemnity for the material damage as provided herein.

Provided nevertheless that the Company is not relieved under b. or c. above of any liability to the Participant in respect of physical damage to the property covered occurring before dispossession or during temporary dispossession.

2. This Takaful shall not cover loss or damage occasioned by or through or in consequence, directly or indirectly, of any of the following occurrences, namely
 - (a) war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not), civil war
 - (b) mutiny, civil commotion assuming the proportion of or amounting to a popular rising, military rising, insurrection, rebellion, revolution, military or usurped power,
 - (c) any act of any person acting on behalf of or in connection with any organization with activities directed toward the overthrow by force of the government de jure or de facto or to the influencing of it by terrorism or violence.

In any action, suit or other proceeding, where the Company allege that by reason of the provisions of this condition any loss or damage is not covered by this Takaful, the burden of proving that such loss or damage is covered shall be upon the Participant.

3. This coverage may at any time be terminated by the Company on notice to that effect being given by registered post at the Participant's last known address, in which case the Company shall be liable to repay a rateable proportion of the Contribution for the unexpired term from the date of termination.

4. The limit of indemnity any one occurrence as stated below shall be understood to limit the indemnity for all loss or damage covered by this Endorsement during a consecutive period of 168 hours.

The aggregate liability of the Company during the period of cover of this Certificate shall be limited by twice the limit of indemnity of any one occurrence of such event.

CP24 OTHER CONTENTS

It is agreed that the term "Other Contents" is understood to include:

- (a) Money and Stamps not otherwise specifically Participant for an amount not exceeding RM250.00
- (b) Document, manuscripts and business books but only for the value of the materials as stationery, together with the cost of clerical labour expended in writing up, and not for the value to the Participant of the information contained and for an amount not exceeding RM500.00 in respect of any one document, manuscript or business book.
- (c) Computer system records but only for the value of the materials together with the cost of clerical labour and computer time expended in reproducing such records (excluding any expenses in connection with the production of information to be recorded therein) and not for the value to the Participant of the information contained therein for an amount not exceeding RM500.00

CP25 LOSS NOTIFICATION (within 14 days)

Notwithstanding anything contained herein to the contrary it is agreed that this Takaful will not be prejudiced by any inadvertent delays, errors or omission in notifying the Company of any circumstances or event giving rise or likely to give rise to a claim inside the Certificate.

Provided that

- (a) the loss/damage must be fully substantiated.
- (b) the Company's liability shall not be increased by such delays errors or omission.
- (c) the burden of proving that a loss has occurred shall be upon the Participant.
- (d) the Company's right to recover (in the name of the Participant or otherwise) from any responsible party for the loss shall not have been prejudiced.
- (e) in no circumstances shall the Company be liable for any loss or damage not notified to them within six (6) calendar months after the event giving rise to a claim.

Subject otherwise to the terms and conditions of the Certificate.

CP27 ALTERATIONS AND REPAIRS CLAUSE

It is hereby agreed that workmen are allowed on or about the premises at the situation mentioned in the Schedule herein referred to which contain the property covered carry out alterations and repairs without prejudice to the terms of this Takaful provided that the trade, manufacture, nature of occupation and/or construction of the premises remain unchanged.

Subject otherwise to the terms and conditions of this Certificate.

CP28 AUTOMATIC INCLUSION OF NEW PREMISES

It is hereby agreed that any premises acquired, leased or rented by the Participant within Malaysia will be automatically covered on the same terms and limit as specified in the Certificate provided that notice be given to the Company within sixty (60) days from the time the Participant acquired, lease or rented such premises.

Subject otherwise to the terms, conditions and exclusions of the Certificate.

CP29 AUTOMATIC ADDITION AND DELETION

Notwithstanding anything herein contained to the contrary. It is hereby declared and agreed that:-

- (a) Any additional machinery purchased by the Participant after the date of commencement of this Certificate shall be automatically covered as from the date of purchase.
- (b) The Participant shall give written notification to the Company within thirty (30) days from the date of purchase of the machinery or deletion of the interest covered from the Certificate in a particular month and pay an additional Contribution which may be required by the Company or receive a refund from the Company as the case may be.

CP31 PROPERTY DAMAGE CLARIFICATION CLAUSE

Property damage covered under this Certificate shall mean physical damage to the substance of property.

Physical damage to the substance of property shall not include damage to a data or software, in particular any detrimental change in data, software or computer programs that is caused by deletion, a corruption or a deformation of the original structure.

Consequently the following are excluded from this Certificate:-

- (a) Loss of or damage to data or software, but not limited to any detrimental change in data, software or computer programs that is caused by deletion, a corruption or a deformation of the original structure, and any business interruption losses resulting from such loss or damage. Notwithstanding this exclusion, loss or damage to data or software, which is the direct consequence of covered physical damage to the substance of property, shall be covered.
- (b) Loss or damage resulting from impairment in the function, availability, range of use or accessibility of data, software or computer programs, and any business interruption losses resulting from such loss or damage.

CP32 HIRE PURCHASE MEMORANDUM

It is hereby understood and agreed that the Financial Institution named in the Schedule (hereinafter referred to as the Owners) are the owners of the property covered and that such property is the subject of a Hire Purchase Agreement made between the Owners of the one part and the Participant of the other part. It is further understood and agreed that any payment made in respect of loss or damage (which loss or damage is not made good by repair, reinstatement or replacement) under the terms of this Certificate shall be made to the Owners as long as they are the owners of the property and their receipt shall be full and final discharge to the Company in respect of such loss or damage.

It is understood and agreed that notwithstanding any provision in the Hire Purchase Agreement to the contrary this Certificate is issued to the Participant as the Principle as the principal party and not as agent or trustee for the Owners and nothing herein shall be construed as constituting the Participant, as agent or trustee for the Owners or as an assignment (whether legal or equitable) by the Participant to the Owners of his rights, benefits and claim under this Certificate.

It is lastly understood and agreed that the Participant shall not assign his rights benefits and claims under this Certificate without the prior consent in writing of the Company.

Non-Cancellation Clause

And it is further agreed that cancellation of the Certificate shall not be affected by the Participant except upon prior notification to the Owner in writing giving fourteen (14) days notice to the last known address of the Owner.

Subject otherwise to the terms and conditions of this Certificate.

CP33 MORTGAGEE (CHARGE) CLAUSE

Loss, if any, payable to “the Financial Institution named in the Schedule or Endorsement” as Mortgagee (Chargee) as interest may appear in this Takaful, as to the interest of the Mortgagee (Chargee) only therein, shall not be invalidated by any act or neglect of the Mortgagor (Charger) only therein, shall not be invalidated by any act or neglect of the Mortgagor (Charger) or the Owner of the within described property nor any foreclosure or other proceedings or notice of sale relating to the property or by the occupation of the premises for purposes more hazardous than are permitted by this Certificate, or by the non-occupation thereof, or by any other increase of risk taking place in the property covered hereunder, Provided that in case the Mortgagor (Charger) or Owner shall neglect to pay any Contribution due under this Certificate the Mortgagee (Chargee) shall on demand pay the same. Provided also that the Mortgagee (Chargee) shall notify the Company of any non-occupancy or any change of ownership or occupancy or increase of hazard which shall come to the knowledge of the said Mortgagee (Chargee) shall on demand pay the Contribution for such increased hazard for the term thereof otherwise this Certificate shall be null and void.

And it is further agreed that whenever the Company shall pay the said Mortgagee (Chargee) any sum in respect of loss or damage under this Certificate and shall claim that as to the Mortgagor (Charger) or owner no liability therefor existed, the Company shall become legally subrogated to all rights of the Mortgagee (Chargee) to the extent of such payment but no so as to impair the right of the said Mortgagee (Chargee) to recover the full amount of any claim it may have on such Mortgagor (Charger) or Owner or on any other party or parties covered hereunder of from any securities or funds available.

Non-Cancellation Clause

And it is further agreed that cancellation of this Certificate shall not be affected shall not be affected by the Participant except upon prior notification to the Mortgagee (Chargee) in writing giving fourteen (14) days notice to the last known address of the Mortgagee (Chargee).

Note: When the interest is that of Chargee and Charger the words in brackets are deemed to be inserted in place of Mortgagee and Mortgagor.

Subject otherwise to the terms and conditions of this Certificate.

CP34 ESCALATION CLAUSE

In consideration of the payment of an additional Contribution amounting to 50% of the Contribution produced by applying the specified percentage to the first or the annual Contribution as appropriate on the undernoted item(s), the sum(s) covered thereby shall, during the Period of Takaful, be increased each day by an amount representing 1/365th of the specified percentage increase per annum.

| Item Number | Specified Percentage Increase per Annum |
|------------------------------|---|
| As specified in the Schedule | |

Unless specifically agreed to the contrary the provisions of this Clause shall only apply to the sums covered in force at the commencement of each Period of Takaful.

At each renewal date the Participant shall notify the Company:-

- (i) the sum be covered under each item above, but in absence of such instructions the sums covered by the above shall be stated on the Certificate (as amended by any Endorsement effective prior to the aforesaid renewal date) to which shall be added the increase which have accrued under this clause during the Period of Takaful up to that renewal date, and
- (ii) the specified percentage increase(s) required for the forthcoming Period of Takaful, but in the absence of instruction to the contrary prior to renewal date the existing percentage increase shall apply for the Period Of Takaful from renewal.

All the condition of the Certificate except insofar as they may be hereby expressly varied shall apply as if they had been incorporated herein.

CP35 INLAND TRANSIT ROAD (ALL RISKS)

This Takaful attaches from the time the goods leave the warehouse or place of storage at the place named in the Certificate for the commencement of transit, continues during the ordinary course of transit including customary transshipment if any and terminates on delivery to the consignees or other final warehouse or place of storage at the destination named in the Certificate or on the expiry of seven (7) days whichever shall first occur. The time limit referred to above to be reckoned from midnight of the day which the vehicle arrives at the destination named in the Certificate.

CP36 EXPEDITING EXPENSES ENDORSEMENT

It is hereby understood and agreed that this Certificate is extended to cover any extra costs incurred in respect of express delivery air freight overtime and holiday rates of wages in connection with repairs or replacements subject however to a limit of 25% of the amount which the repair or replacement would have cost if these extra expenses had not been incurred.

CP37 WAIVER SUBROGATION

- i) The Company shall waive its right of subrogation against all covered parties provided no act of default committed by any covered party or its representatives has caused any loss or damage to any other covered party.
- ii) The Participant shall at the Company's expense do and concur in doing and permit to be done all actions that may be necessary or required by the Company in the interest of any rights or remedies or for the purpose of obtaining relief or indemnity to which the Company is or would become entitled or which is or would be subrogated to him upon indemnification or rectification of any loss or damage under this Certificate of Takaful, regardless of whether such action is or becomes necessary or required before or after the Participant's indemnification by the Company.

CP38 MALICIOUS DAMAGE

It is hereby declared and agreed that the coverage under the said strike, riot and civil Endorsement shall extend to include malicious damage which for the purpose for this Extension shall mean loss or damage to the property Participant directly caused by the malicious act of any person (whether or not such act is committed in the course of a disturbance of the public peace) not being an act amounting to or committed in connection with an occurrence mentioned in the Exclusions of the said strike, riot and civil commotion Endorsement.

But the Company shall not liable under this extension for any loss or damage by fire or explosion or for any arising out of or in the course of burglary housebreaking, theft or larceny or any attempt thereat or cause by any person taking part therein. Provided always that all the conditions and provisos of the said strike, riot and civil commotion Endorsement shall apply to this extension as if they had been incorporated herein.

CP39 FULL THEFT

The cover under this Certificate is extended to include loss or damage occasioned by Full Theft or larceny or any attempt thereat.

It is hereby understood and agreed that:

1. This Takaful does not cover loss caused by the Participant or any one acting on the express or implied authority of the Participant, being induced by any fraudulent scheme, trick, device of false pretence to part with title or possession of any property.
2. The Participant shall make a physical inventory of the covered property and shall keep such inventory as a permanent record. This Takaful shall not apply to loss by theft or attempt thereat unless there is available such physical inventory made preceding the date of such loss.
3. Any shortage disclosed by an inventory is not covered hereby unless such shortage can reasonably shown to have been occasioned by theft or attempt thereat.
4. The Company shall not be liable to pay the first RM..... in respect of each and every claim or loss for which indemnity is provided herein.

Subject otherwise to the terms, conditions, exclusions and provisos of the Certificate.

CP40 AUTOMATIC REINSTATEMENT OF LOSS

It is hereby declared and agreed that in the event of any claim sustainable under the Certificate the sum covered in respect of the item against which the payment is made is reinstated upon payment of the appropriate additional Contribution to the Company until expiry date of the Certificate.

CP41 MISDESCRIPTION

If there be any material misdescription by the Participant or any one acting on his behalf of any of the property hereby covered or any building or place in which such property is contained or of the business or premises to which this Takaful refers or any omission to state such fact the Company not be liable under this Certificate for the property affected by any such misdescription, misrepresentation or omission.

CP42 TERRORISM EXCLUSION

This Takaful does not cover any loss or damage by or through or in consequence, directly or indirectly of any of the following occurrence namely:-

- any act of terrorism

For this purpose an act of terrorism means an act, including but not limited to the use 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.

Any loss or damage happening during the existence of abnormal conditions (whether physical or otherwise) which are occasioned by or through or in consequence, directly or indirectly, of any of the said occurrence shall be deemed to be loss or damage which is not covered by this Takaful, except to the extent that the Participant shall prove that such loss or damage happened independently of the existence of such abnormal conditions.

In any action, suit or other proceeding where the Company alleges that by reason of the provisions of this condition any loss or damage is not covered by this Takaful, the burden of proving that such loss or damage is covered shall be upon the Participant.

Subject otherwise to the terms, conditions and exceptions of the Certificate.

CP43 AUTOMATIC RENEWAL CLAUSE

This Certificate is deemed to be automatically renewed and the appropriate contribution charged upon expiry unless instructed.

Subject otherwise to the terms, conditions and exceptions of the Certificate.

CP44 CONVULSION OF NATURE

This Certificate extends to cover loss or damage arising out of earthquake, volcanic eruption, flood, typhoon, hurricane, cyclone, windstorm or other convulsing of nature consequently the words "earthquake, volcanic eruption, flood, typhoon hurricane, cyclone, windstorm or other convulsion of nature" are deemed to be deleted from the Exclusion (8) of the Certificate.