

PRODUCT DISCLOSURE SHEET (Read this Product Disclosure Sheet before you decide to participate in the <i>IKHLAS</i> Contractor's All Risk Takaful. Be sure to also read the general terms and conditions of this Takaful Certificate.)	TAKAFUL IKHLAS GENERAL BERHAD (Member of PIDM) (Licensed under Islamic Financial Services Act 2013 and regulated by Bank Negara Malaysia) IKHLAS CONTRACTOR'S ALL RISK TAKAFUL Date:
1) What is this product about? This product provides a comprehensive coverage for Contractors to meet their obligations under project risks they undertake including civil engineering contract works, installation and maintenance works. The plan also is indemnifiable for third party liability which the Takaful Participant shall become legally liable.	
2) What are the Shariah concepts applicable? • Tabarru' – shall mean donation for the purpose of solidarity and cooperation among the Takaful Participants and to be used to help all Takaful Participants in times of misfortune. In the context of the Company, Tabarru' will be allocated into the Participants' Risk Fund. • Wakalah – refers to a contract where a party, as principal (<i>muwakkil</i>) authorizes another party as his agent (<i>wakil</i>) to perform a particular task on matters that may be delegated with or without imposition of a fee. In the context of the Company, we are appointed as an agent (<i>wakil</i>) to carry out the Takaful Business and a Wakalah fee (<i>Ujrah</i>) to be paid to the Company. Note: Please refer to the Takaful Certificate for more information.	
3) What are the covers / benefits provided? Section I of the Takaful Certificate covers Material Damage: • Suffer unforeseen and sudden physical loss of damage from any cause other than those specifically excluded; • Cost of clearance of debris following the event of the loss or damage Section II of the Takaful Certificate covers Third Party Liability in the event of: • Accidental bodily injury or illness of third party (whether fatal or not); • Accidental loss or damage to property belonging to third parties In respect of claim compensation, the Company will indemnify the Takaful Participant against: • All cost and expenses of litigation recovered by any claimant from the Takaful Participant; and • All cost and expenses incurred with the written consent of the Company Note: Please refer to the Takaful Certificate for the specific terms and conditions applicable to the benefits stated above. Duration of cover is for the entire period of the project contract including maintenance period after completion of the project. The coverage under this product is not renewable.	
4) How much Takaful Contribution do I have to pay? The total Takaful Contribution that you have to pay may vary depending on the risk and exposure and also the underwriting requirements of the Company:	

- Sum Covered : RM _____
- Rate : _____ %
- Payable Takaful Contribution : RM _____

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

The following charges are applicable:

What you have to pay in addition to the Takaful Contribution amount :-

- Applicable taxes are chargeable at the prevailing rates
- Stamp duty : RM10.00

What is included in the Takaful Contribution amount :-

- Wakalah Fees -
 - ✓ Commissions : up to max. 15% of Takaful Contribution
 - ✓ Management Expenses : 15% of Takaful Contribution

What you have to pay if you cancel the Takaful Certificate :-

- Cancellation Fee : RM10.00

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

Importance of disclosure

- 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 have taken reasonable care in answering the questions may result in avoidance 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.

Takaful Contribution Warranty

- Takaful Contribution due to the Company must be paid and received by the Company within sixty (60) days from the inception date of this Takaful Certificate or Endorsement/ renewal Takaful Certificate. If the condition is not complied with, this Takaful Certificate shall be automatically cancelled and the Company shall be entitled to the pro-rated Takaful Contribution for the period the Company provides the cover.

Amount to be Covered

- You must ensure that the total contract value is covered by the takaful plan at the inception of the cover.
- You may select to cover your property such as plant and machinery on Market Value or reinstatement value basis:
 - a) Market Value basis – we will pay the cost of repairing the damaged property less the amount for Wear and Tear and Depreciation.
 - b) Reinstatement value basis – we will pay the full cost of repairing the damaged property without any deductions being made for Wear and Tear and Depreciation, provided that the Sum Covered is adequate to cover the total cost of reinstating the property.
- If the amount covered on your property is less than the actual value at the time of loss, you are deemed to be responsible for the difference and bear a proportional share of the loss.
- Excesses, being the amount you have to bear before we indemnify you, are applicable for certain Perils, such as claims against overflowing of water tanks, windstorm, earthquake and flood.

Surplus

- The Company will charge a Surplus Administration Charge (SAC) of 50% of the gross distributable surplus arising from the Risk Fund at the end of the financial year. However, the Company may at its discretion and where appropriate charge the SAC for 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 Takaful Participant. Upon Takaful Certificate expiry, if the amount due to Takaful Participants is less than RM10, the amount shall either be retained in the Risk Fund or donated to charity on behalf of the Takaful participants as an act of good deed. The threshold, method and time of settlement of the surplus distribution shall be defined in the Surplus Management Policy. The threshold is not applicable if the Takaful Participants provided their banking information to the Company.

Payment of Takaful Contribution

- Payment can be made by Cash, Credit Card or GIRO to Takaful Ikhlas General Berhad. Insist on a receipt for the Takaful Contribution paid as proof of payment for future reference.

How do I make a claim

- Upon the happening of an incident which give rise to a claim, you shall notify the Company immediately.

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

This Takaful Certificate does not cover any loss, damage or liability directly or indirectly caused by or arising out of or aggravated by:

- a) war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, mutiny, riot, strike, lock-out, civil commotion, military or usurped power, a group of malicious persons or persons acting on behalf of or in connection with any political organization, conspiracy, confiscation, commandeering, requisition or destruction or damage by order of any government de jure or de facto or by any public authority;
- b) nuclear reaction, nuclear radiation or radioactive contamination;
- c) willful act or willful negligence of the Takaful Participant or of his representative;
- d) cessation of work whether total or partial

Special Exclusion to Section I

The Company shall not, however, be liable for

- a) the deductible stated in the Schedule to be borne by the Takaful Participant in any one occurrence;
- b) consequential loss of any kind or description whatsoever including penalties, losses due to delay, lack or performance, loss of contract;
- c) loss or damage due to faulty design;
- d) the cost of replacement, repair or rectification of defective material and/or workmanship, but this exclusion shall be limited to the items immediately affected and shall not be deemed to exclude loss of or damage to correctly executed items resulting from an accident due to such defective material and/or workmanship;
- e) wear and tear, corrosion, oxidation, deterioration due to lack of use and normal atmospheric conditions;
- f) loss or damage to construction plant, equipment and construction machinery due to electrical or mechanical breakdown, failure, breakage or derangement, freezing of coolant or other fluid, defective lubrication or lack of oil or coolant, but if as a consequence of such breakdown or derangement, freezing of coolant or other fluid, defective lubrication or lack of oil or coolant, but if as a consequence of such breakdown or derangement an accident occurs causing external damage, such consequential damage shall be indemnifiable;
- g) loss of or damage to vehicles licensed for general road use or waterborne vessels or aircraft;
- h) loss of or damage to files, drawings, accounts, bills, currency, stamps, deeds, evidences of debt, notes,

- securities, cheques;
i) loss or damage discovered only at the time of taking an inventory.

Special Exclusion to Section II

The Company will not indemnify the Takaful Participant in respect of

1. the deductible stated in the Schedule to be borne by the Takaful Participant in any one occurrence;
2. expenditure incurred in doing or redoing or making good or repairing or replacing anything covered or coverable under Section I of this Takaful Certificate;
3. damage to any property or land or building caused by vibration or by removal or weakening of support or injury or damage to any person or property occasioned by or resulting from any such damage (unless especially agreed upon by endorsement);
4. liability consequent upon
 - a) bodily injury to or illness of employees or workmen of the Contractor(s) or the Principal(s) or any other firm connected with the project which or part of which is Takaful Participant under Section I, or members of their families;
 - b) loss of or damage to property belonging to or held in care, custody or control of the Contractor(s), the Principal(s) or any other firm connected with the project which or part of which is Takaful Participant under Section I, or an employee or workman of one of the aforesaid;
 - c) any accident caused by vehicles licensed for general road use or by waterborne vessels or aircraft;
 - d) any agreement by the Takaful Participant to pay any sum by way of indemnity or otherwise unless such liability would have attached also in the absence of such agreement.

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

8) Can I cancel my Takaful Certificate?

You may cancel your Takaful Certificate by giving written notice to us. Upon cancellation, you are entitled to a refund of the pro rata Takaful Contribution for the unexpired period of cover. No refund of Takaful Contribution is allowed if there is a claim under the Takaful Certificate.

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 about *IKHLAS* Contractor's All Risk Takaful, please contact us at:

Takaful Ikhlas General Berhad

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

Tel: 03-2723 9696

Fax: 03-2723 9998

Website : www.takaful-ikhlas.com.my

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

11) Other similar types of cover available.

- *IKHLAS* Erection All Risk Takaful

Notification of PIDM's Protection

The benefits payable under eligible Takaful Certificate are protected by PIDM up to limits. Please refer to PIDM's TIPS Brochure or contact Takaful Ikhlas General Berhad or PIDM (visit www.pidm.gov.my).

IMPORTANT NOTE:

YOU SHOULD ENSURE THAT YOUR SUM COVERED IS AT THE APPROPRIATE AND ADEQUATE AMOUNT AS IT WILL AFFECT THE AMOUNT YOU CAN CLAIM. YOU SHOULD READ AND UNDERSTAND THE TAKAFUL CERTIFICATE AND DISCUSS WITH THE AGENT OR CONTACT TAKAFUL OPERATOR DIRECTLY FOR MORE INFORMATION.

The information provided in this Product Disclosure Sheet is valid as at 01/05/2024