

PRODUCT DISCLOSURE SHEET (Read this Product Disclosure Sheet before you decide to participate in the IKHLAS Marine Cargo 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 MARINE CARGO TAKAFUL Date:
1) What is this product about? This product provides protection of goods in transit by sea, air or land against loss or damage caused by a wide range of perils. 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? The Takaful Certificate covers cargo whilst in transit and including storage in the ordinary course of transit. They are subject to the terms of the Institute Cargo Clauses. The most commonly used clauses are:- Institute Cargo Clauses (A) or Institute Cargo Clauses (Air) o Covers all risks of loss of or damage to the cargo. Institute Cargo Clauses (B) o Covers loss of or damage caused by the following perils :- a) fire or explosion b) vessel or craft being stranded, grounded, sunk or capsized c) overturning or derailment of land conveyance d) collision or contact of vessel, craft or conveyance with any external object other than water e) discharge of cargo at a port of distress f) earthquake, volcanic eruption and lightning g) general average sacrifice h) jettison or washing overboard i) entry of sea, lake or river water into the vessel craft conveyance container or place of storage j) total loss of any package overboard or dropped whilst loading on to, or unloading from vessel or craft. Institute Cargo Clauses (C) o Covers the following named perils :- a) fire or explosion b) vessel or craft being stranded, grounded, sunk or capsized	

- c) overturning or derailment of land conveyance
- d) collision or contact of vessel craft or conveyance with any external object other than water
- e) discharge of cargo at a port of distress
- f) general average sacrifice
- g) jettison

Note: Please refer to the Takaful Certificate for the specific terms and conditions applicable to the benefits stated above.

Duration of cover is for one (1) year. As such, you need to renew your Takaful Certificate annually.

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

The total Takaful Contribution that you have to pay may vary depending on the type of goods and packaging, shipment values, the voyage, conveyance and coverage required

- o Marine risks ICC : (A) _____% or (B) _____% or (C) _____%
- o Plus additional cover : War and strikes _____% and other extension _____%
- o Total rate of Contribution : _____% on Sum Covered of RM _____

The estimated 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?

Duty 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 your property is covered at the appropriate amount taking into account the renovations made to your property.
- You may select to cover your property 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.

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

The following exclusions are common to all Institute Cargo Clauses:

- a) wilful misconduct of Takaful Participant;
- b) ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the covered goods;
- c) insufficiency or unsuitability of packing or preparation of the covered goods;
 - This exclusion will only apply if the goods were packing or preparation was done by the Takaful Participant or their employees or was carried out prior to the attachment of the risk.
- d) inherent vice or nature of the covered goods;
- e) delay, even though the delay be caused by a covered risk;
- f) insolvency or financial default of the owners/ managers/ charterers/ operators of the vessel;
 - This will apply only if the Takaful Participant was aware of the financial circumstances that could prevent the voyage
- g) directly or indirectly caused by or arising from the use of any weapon or device employing atomic or nuclear fission/fusion or other like reaction or radioactive force or action;
- h) unseaworthiness of vessel or craft only if the Takaful Participant is aware at the time of loading of the goods;
- i) war or civil war;
- j) capture, seizure or arrest;
- k) derelict mines torpedoes bombs or other derelict weapons of war;
- l) strikes; and
- m) terrorism

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* Marine Cargo 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: ikhlascare@takaful-ikhlas.com.my

11) Other similar types of cover available.

- *IKHLAS* Goods In Transit 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 PROPERTY IS COVERED AT THE APPROPRIATE 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