



TAKAFUL IKHLAS GENERAL BERHAD (1233870-A)

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(Licensed under Islamic Financial Services Act 2013 and regulated by Bank Negara Malaysia)

IKHLAS COMMERCIAL VEHICLE TAKAFUL CERTIFICATE

SALAM SEJAHTERA AND THANK YOU

For choosing Us as Your Commercial Vehicle Takaful provider.

INTRODUCTION

The Participant and the Company hereby agree that:

1. Any one of the following types of cover will apply:-
 - (a) Comprehensive - Section A and B of this Certificate apply
 - (b) Third Party Only - Only Section B applies
2. It is an offence under the law of Republic of Singapore to enter the country without extending passenger liability cover to the motor Takaful of the Participant.
3. All accidents must be reported to the police within twenty four (24) hours.
4. All Endorsements, Clauses or warranties that are separately attached to this Certificate shall also apply.
5. The Proposal shall be incorporated and be the basis of the Certificate.
6. The Participant agrees to pay the Contribution in accordance with the Schedule.
7. The Proposal Form completed fully and faithfully shall be a condition precedent to any liability of the Company.
8. 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.
9. The relationship between the Company and the Participant in this Certificate shall be governed by, and interpreted in accordance with Malaysian Law.

OUR AGREEMENT

Non - Consumer Takaful Contract (Takaful for purposes related to the Participant's trade, business or profession)

This Certificate is issued in consideration of the payment of Contribution as specified in the Certificate Schedule and pursuant to the answers given in the Participant's Proposal Form (or when the Participant applied for this takaful) and any other disclosures made by the Participant between the time of submission of the Participant's Proposal Form (or when the Participant applied for this takaful) and the time this contract is entered into. The answers and any other disclosures given by the Participant shall form part of this contract of takaful between the Participant and the Company. In the event of any pre-contractual misrepresentation made in relation to the Participant's answers or in any disclosures made by the Participant, it may result in avoidance of the Participant's contract of takaful, refusal or reduction of the Participant's claim(s), change of terms or termination of the Participant's contract of takaful.

We will indemnify you against loss, damage or liability as described in this policy occurring during the Period of Takaful whilst the Motor Vehicle is on the road or is temporarily garaged during the course of a journey elsewhere other than in or on any premises by Participant or in Participant's occupation.

This Certificate reflects the terms and conditions of the contract of takaful as agreed between the Participant and the Company.

DEFINITIONS

Under this Certificate:

1. **"Accessories"** shall mean the standard tools of a motor vehicle including spare tyres and may include radio/cassette player/compact disc player and the like if specified in the Schedule.
2. **"Acts of Terrorism"** shall mean 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), 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.
3. **"Authorized Driver"** as described in the Certificate of Takaful.
4. **"Certificate"** means consisting at all Proposals and Schedules attached hereto and annexed together with this Certificate shall be complementary with one another.
5. **"Cheating"** as defined in the Penal Code is whoever by deceiving any person, whether or not such deception was the sole or main inducement:-
 - (a) fraudulently or dishonestly induces the person so deceived to deliver any property to any person, or to consent that any person shall retain any property; or
 - (b) intentionally induces the person so deceived to do or omit to do anything which he would not do or omit to do if he were not so deceived and which act or omission causes or is likely to cause damage or harm to any person in body, mind, reputation, or property, is said to "cheat".
6. **"the Company, We, Us, Our"** means Takaful Ikhlas General Berhad, its successors or assigns including any subsidiaries wholly owned and associated with MNRB Holdings Berhad or any other appointed service providers.

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7. **“Criminal Breach of Trust”** as defined in the Penal Code is whoever, being in any manner entrusted with property, or with any dominion over property either solely or jointly with any other person, dishonestly misappropriates, or converts to his own use, that property, or dishonestly uses or disposes of that property in violation of any direction of law prescribing the mode in which such trust is to be discharged, or of any legal contract, express or implied, which he has made touching the discharge of such trust, or willfully suffers any other person so to do, commits “Criminal Breach of Trust”.
8. **“Endorsement”** shall mean written alteration to the terms, conditions and limitations of this Certificate which is shown on the Schedule.
9. **“Geographical Area”** refers to Malaysia, Republic of Singapore and Negara Brunei Darussalam.
10. **“Household”** shall mean all members of immediate family (i.e. spouse, children including legally adopted children, parents, brothers and sisters).
11. **“Legislation”** refers to Road Transport Act, 1987 (Malaysia) Motor Vehicles (Third Party Risks and Compensation) Act (Cap 189) Republic of Singapore Motor Vehicles (Third Party Risks and Compensation) Rules 1960 (Republic of Singapore) Motor Vehicles Insurance (Third Party Risks) Act (Cap 90) Negara Brunei Darussalam (the reference to legislation under the heading “Avoidance of Certain Terms and Rights of Recovery”) is limited to Section 94, 95 and 96 of the Road Transport Act 1987 (Malaysia) Section 7, 8 and 9 of the Motor Vehicles (Third Party Risks and Compensation) Act (Cap 189) Republic of Singapore and Section 7 of the Motor Vehicles Insurance (Third Party Risks) Act (Cap 90) Negara Brunei Darussalam.
12. **“Limitations as to Use”** as described in the Certificate of Takaful.
13. **“Period of Takaful”** shall mean the period of Takaful shown on the Schedule.
14. **“Proposal”** shall mean 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.
15. **“Qard”** shall mean a contract of lending money whereby the borrower is obliged to repay the equivalent amount to lender.
16. **“Repairer”** refers to motor repair workshop under PIAM Approved Repairers Scheme.
17. **“Risk Fund”** means a pool of fund based on the concept of Tabarru’ providing mutual protection and indemnity among the Participants.
18. **“Schedule”** shall mean the Certificate Schedule where both the covered items and sum covered are specified.
19. **“Sum Covered”** shall mean the amount the Takaful Participant has covered on the Takaful Participant’s property as shown on the Schedule.
20. **“Tabarru”** shall mean donation for the purpose of solidarity and cooperation among the Participants and to be used to help all Participants in times of misfortune. In the context of the Company, Tabarru’ will be allocated into the Participants’ Risk Fund.
21. **“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.
22. **“Takaful Business”** means the business relating to the administration, management and operation of a Takaful Fund for its Takaful Participants which involve elements such as investments, savings and claims and Retakaful business and a reference to carrying on Takaful Business shall include all or any of the activities set out in paragraph 5(4)(a) of the Islamic Financial Services Act 2013.
23. **“Contribution”** means any amount the Company requires the Participant to pay to participate in a Takaful plan.
24. **“the Participant, You or Your”** shall mean the person named in the Schedule as “the Participant”.
25. **“the Participant’s Vehicle”** shall mean the vehicle, and its Accessories, including those described in the Certificate Schedule.
26. **“Wakalah”** refers to a contract where a party, as principal (*muwakkil*) authorizes another party as his agent (*wakil*) 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 (*wakil*) to carry out the Takaful Business and a Wakalah fee (*Ujrah*) to be paid to the Company.

SECTION A – LOSS OR DAMAGE TO VEHICLE

1. The Company will cover the Participant’s Vehicle if it is damaged or loss in the following circumstances:-
 - (a) by accidental collision or overturning,
 - (b) by collision or overturning caused by mechanical breakdown,
 - (c) by collision or overturning caused by wear and tear,
 - (d) by impact damage caused by falling objects provided no flood, typhoon, hurricane, storm, tempest, volcanic eruption, earthquake, landslide, landslip, subsidence or sinking of the soil/earth or other convulsion of nature is involved,
 - (e) by fire, explosion or lightning,
 - (f) by burglary, housebreaking or theft
 - (g) by malicious act,

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- (h) When in transit (including its loading and unloading) by:
 - i) Road, rail, inland waterway
 - ii) direct sea route across the straits between the island of Penang and the mainland.

2. Basis of settlement

- (a) The Company will at the Company's option
 - i) pay the cost of repairs to the Participant's Vehicle, or
 - ii) pay in cash the amount of the loss or damage to the Participant's Vehicle, or
 - iii) reinstate or replace the Participant's Vehicle.
- (b) The maximum amount the Company will pay is the market value of the Participant's Vehicle at the time of the loss or the sum covered in the Certificate whichever is the lower figure.
- (c) If the Participant's Vehicle shall at the time of happening of any loss or damage be covered for a sum lesser than its market value then, the Participant shall be considered as being the Participant's own Takaful for the difference and shall bear the rateable proportion of the loss accordingly. Provided always that this shall not apply unless the market value at the time of the loss exceeds the covered value by 10% or more.
- (d) The market value of the Participant's Vehicle would be determined in the event of a dispute by the Head Office of the Franchise-holder and this value would be equal to the cost of purchasing a replacement vehicle of the same make, model and age of the Participant's Vehicle at the time of loss.
- (e) In the event no Franchise-holder is available for the make of the Participant's Vehicle, the market value of the vehicle would be determined by a Loss Adjuster licensed under the Islamic Financial Services Act (IFSA), 2013 and its subsequent Legislation agreed to by both the Participant and the Company.
- (f) The valuation done by the relevant Head Office of the Franchise-holder or Loss Adjuster licensed under the Islamic Financial Services Act (IFSA), 2013 and its subsequent Legislation will be conclusive evidence in respect of the market value of the Participant's Vehicle in any legal proceedings against the Company.
- (g) The maximum amount the Company will pay for the cost of repairs to the Participant's Vehicle shall be the expenses necessarily incurred to restore the damaged vehicle to its pre-accident condition (or as near its pre-accident condition as is reasonably possible). If new franchise parts are used, the Participant will have to bear the betterment portion of the franchise parts replaced in accordance with the following scale:-

Age of Vehicle/Years	Rate for Betterment (Not to exceed following %)
Less than 5 years	0
5	15
6	20
7	25
8	30
9	35
10 and above	40

The following basis shall be used in determining the age of vehicles:-

Age of vehicles based on:-

New vehicles.....	Date of registration
Local second-hand/used vehicles.....	Date of original registration
Imported second-hand/used vehicles.....	Year of manufacture
Imported reconditioned vehicles.....	Year of manufacture

The application of betterment shall be at the Company's discretion. The Scale of Betterment represents the maximum rates of betterment that can be applied.

3. Transportation of damaged vehicle

The Company will pay the Participant up to a maximum of RM200.00 as towing charges for taking the Participant's Vehicle to either the nearest repairer or towing the vehicle by returning it to the Participant's address as shown on the Schedule or towing it to a secure place for it to be garaged, provided the Participant's Vehicle has been damaged by circumstances described in this section.

EXCLUSIONS (APPLICABLE TO SECTION A ONLY)

- 1. The Company will not pay for:-
 - (a) consequential losses of any nature.
 - (b) the loss of use of the Participant's Vehicle.

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- (c) depreciation, wear and tear, rust and corrosion, metal fatigue, mechanical or electrical or electronic breakdowns, equipment or computer malfunction, failures or breakages to the Participant's Vehicle except breakage of windscreen, window or sunroof including lamination/tinting film, if any.
- (d) damage caused by over-loading or strain.
- (e) damage caused by explosion of any boiler forming part of or attached to or on the Participant's Vehicle.
- (f) damage to the Participant's Vehicle's tyres unless the Participant's Vehicle is damaged at the same time.
- (g) any loss or damage caused by or attributed to the act of Cheating/Criminal Breach of Trust by any person within the meaning of the definition of the offence of Cheating/Criminal Breach of Trust set out in the Penal Code.
- (h) the excess stated in the Schedule.
- (i) the failure or inability of any equipment or any computer program to recognize or correctly to interpret or process any date as the true or correct date or to continue to function correctly beyond that date.

SECTION B – LIABILITY TO THIRD PARTIES

1. The Company will pay the amount which the Participant or the Participant's Authorized Driver is legally liable to pay (including claimants' cost and expenses) for accident caused by or arising out of the use of the Participant's Vehicle or in connection with the loading or unloading therefrom for:-

- (a) death or bodily injury to any person except those specifically excluded under Exclusions to Section B
- (b) damage to property as a result of an accident arising out of the use of the Participant's Vehicle provided the Participant's Authorized Driver also complies with all the terms and conditions of the Certificate that the Participant is subject to.

2. Limits of the Company's liability

The Company's total liability under Section B1(a) is unlimited

The Company's total liability under Section B1(b) is limited to RM3 million.

} in respect of any one claim or series of claims arising out of one event

3. Towing disabled vehicle

The Company will cover the liabilities as specified in Section B1(a) and Section B1(b) above if the Participant's Vehicle is used for towing any one disabled motor vehicle. Provided that:-

- (a) such towed vehicle is not towed for reward
- (b) the Company are not liable for loss or damage to such towed vehicle or property being conveyed thereon

4. Cover for legal representatives

Following the death of any person covered under this Certificate, the Company will indemnify that person's legal representatives for liability covered under this section, provided such legal representatives comply with all the terms and conditions of the Certificate.

5. Legal costs

The Company will pay legal costs incurred up to a maximum of RM2,000.00 for defence of any charge including the charge of causing death by driving the Motor Vehicle (other than murder) if the Company's prior written agreement had been secured.

EXCLUSIONS (APPLICABLE TO SECTION B ONLY)

1. The Company will not pay for:-

- (a) death or bodily injury to any person or damage to property caused or arising outside the limits of any carriageway or thoroughfare in connection with the loading onto and unloading from the Participant's Vehicle.
- (b) death or bodily injury to any person where such death or injury arises out of and in the course of the employment of such person by the Participant or by the Participant's Authorized Driver.
- (c) death or bodily injury to any person being carried in or upon or entering or getting on to or alighting from the Participant's Vehicle (unless he/she is required to be carried in or on the Participant's Vehicle by reason of or in pursuance of his/her contract of employment with the Participant and/or the Participant's Authorized Driver and/or his/her employer).
- (d) damage to property belonging to or in the custody of or control of or held in trust by the Participant and/or the Participant's Authorized Driver and/or any member of the Participant and/or the Participant's Authorized Driver's Household.
- (e) damage to any bridge, weigh bridge or viaduct or to any road or anything beneath by vibration or by the weight of the Participant's Vehicle or of the load carried by the Participant's Vehicle.

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- (f) damage to property caused by or arising out of the explosion of a boiler forming part of attached to or on the Participant's Vehicle.
- (g) death or bodily injury caused by or arising out of the explosion of a boiler forming part of attached to or on the Participant's Vehicle except so far as is necessary to meet the requirements of the Legislation.
- (h) any claims brought against any person in any country in courts outside Geographical Area.
- (i) all legal costs and expenses which are not incurred in or recoverable in Geographical Area.

NO CLAIM DISCOUNT

If no claim is made or arises from this Certificate and provided the Participant's Vehicle is covered with the Company for a continuous period of twelve (12) months in each of the following instances, the Participant is entitled to a No-Claim-Discount on renewal of the Certificate as follows:-

Period of Takaful	Discount
After the first year of Takaful	15%
After the second year of Takaful	20%
After the third or more years of Takaful	25%

If the Company agrees to transfer interests in this Certificate, the period during which the interest was in the name of the Participant will not accrue to the new benefit.

If more than one (1) motor vehicle is described in the Schedule, the No-Claim-Discount shall be applied as if a separate Certificate had been issued in respect of each such motor vehicle.

AVOIDANCE OF CERTAIN TERMS AND RIGHTS OF RECOVERY

1. The Participant's rights or that of any other person to recover indemnity by virtue of the Legislation or Agreement executed between the Minister of Transport for the Government of Malaysia and the Motor Insurers' Bureau of West Malaysia on March 30, 1992 or the Agreement executed between the Government of Singapore and the Motor Insurers' Bureau of Singapore on February 22, 1975 shall not be affected in any way.
2. However, in the event that the Company is liable to pay any monies as a result of the said Legislation or Agreement which the Company would not otherwise have been liable to pay, the Participant shall repay to the Company such monies paid by the Company.

GENERAL EXCLUSIONS (APPLICABLE TO THE WHOLE CERTIFICATE)

The Company will not pay for any liability under the following circumstances:-

1. If the Participant or any person with the Participant's consent are not licensed to drive the vehicle except if the Participant or any person with the Participant's consent has held and is not disqualified from holding or obtaining such a license to drive the Participant's Vehicle under any required laws, by-laws and regulations.
2. If the Participant or the Participant's Authorized Driver drive the Participant's Vehicle whilst under the influence of drink or drug to such an extent as to be incapable of having control of the Participant's Vehicle.
3. (a) Any loss, damage or liability caused by the Participant's Vehicle being used for an unlawful purpose or being used otherwise than in accordance with the limitations as to use by the Participant by some other person with the Participant's consent.
 (b) Any accident loss damage or liability caused, sustained or incurred whilst the Participant's Vehicle, in respect of which indemnity is provided by this Takaful Certificate, is being driven by any person other than an Authorized Driver or a person driving on the Participant's order or with the Participant's permission.
4. If any loss, damage or liability is caused by invasion, war (whether war be declared or not), warlike operation, acts of foreign enemies, hostilities, civil war, Acts of Terrorism, strike, riot, civil commotion, mutiny, rebellion, revolution, insurrection, military or usurped power or by any direct or indirect consequences of any of the said occurrences.
5. If the loss, damage or liability is directly or indirectly caused by or contributed to by or arising from flood, typhoon, hurricane, storm, tempest, volcanic eruption, earthquake, landslide, landslip, subsidence or sinking of the soil/earth or other convulsion of nature is involved.
6. If the Participant's Vehicle is used for or is being tested in preparation for any motor sport or competition (other than treasure hunts). This includes (but is not limited to) reliability trials, hill-climbing tests and rallies.
7. If in the event of any accident or breakdown, the Participant's Vehicle is left unattended without proper precautions being taken to prevent further loss or damage and if the Participant's Vehicle is driven in an unroadworthy condition before the necessary repairs are effected, any extension of the damage or any further damage to the Participant's Vehicle shall be excluded from the cover granted by this Certificate.
8. For any accident loss damage or liability caused sustained or incurred outside of Geographical Area. For liability in Malaysia, the limitations of the Act will apply.
9. If any liability attaches by virtue of an agreement but for which the Company would not have been liable in the absence of such agreement.
10. (a) Any accident loss or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss

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(b) Any liability of whatsoever nature

directly or indirectly caused by or contributed to by or arising from ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel. For the purpose of this exception combustion shall include any self-sustaining process of nuclear fission.

11. Any accident loss damage or liability directly or indirectly caused by or contributed to by or arising from nuclear weapons and materials.

If a law or laws are named in a section of the Certificate entitled "Avoidance of certain terms and right of recovery" or in the Certificate Schedule under the heading of "Legislation" all references to specific sections of such laws are deemed to be deleted so that the references to such law or laws are left to apply to each law in its entirety.

CONDITIONS (APPLICABLE TO THE WHOLE CERTIFICATE)

The Proposal including all future or subsequent Proposal or Schedule thereof shall be read together and shall form as an integral part of this 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. DUTY OF DISCLOSURE
Non-Consumer Takaful Contract**

This Certificate is issued in consideration of the payment of Contribution as specified in the Certificate Schedule and pursuant to the answers given in your Proposal Form (or when you applied for this Takaful) and any other disclosures made by you between the time of submission of your Proposal Form (or when you applied for this Takaful) and the time this contract is entered into. The answers and any other disclosures given by you shall form part of this contract of Takaful between you and us. In the event of any pre-contractual misrepresentation made in relation to your answers or in any disclosures made by you, it may result in avoidance of your contract of Takaful, refusal or reduction of your claim(s), change of terms or termination of your contract of Takaful.

This Certificate reflects the terms and conditions of the contract of Takaful as agreed between you and the Company.

2. ACCIDENTS AND CLAIMS PROCEDURES

(a) The Company must be notified in writing or by phone in either case with particulars of the vehicles involved, date of accident and, if possible, a brief description of the circumstances of the accident within the specific time frame as follows after an event which may become the subject of a claim under this Certificate:-

- i) Within seven (7) days if the Participant is not physically disabled or hospitalized following the event.
- ii) Within thirty (30) days or as soon as practicable if the Participant is physically disabled and hospitalized as a result of the event.
- iii) Other than i) and ii), a longer notification period may be allowed subject to specific proof by the Participant.

(b) In the event that the Participant's Vehicle is collided into by a Third Party vehicle, the Participant may refer the claim for cost of repairs to the Company. The Participant's NCD entitlement will continue unaffected if the Company decides that the Participant is not at fault. Such determination of fault shall be at the Company's entire discretion. Provided always that such Third Party vehicle is covered, identifiable and/or not a vehicle used for carriage of passengers for hire or reward (for example taxis, hire cars, public buses, stage buses, school buses and factory buses for hire), not a vehicle covered by non-Malaysian Takaful operator/ insurers and there is no personal injury claim involved.

(c) All accidents must be reported to the police as required by the Law.

(d) Every communication, writ, summons and/or process from other parties must be sent to the Company immediately. The Participant must also tell the Company if the Participant know of any impending prosecution, inquest or fatal inquiry without delay. In case of theft or other act which may give rise to a claim under this Certificate, the Participant must without undue delay make a report to the police and co-operate with the Company in securing the conviction of the offender.

(e) No negotiation, admission or repudiation of any claim may be entered into without the Company's prior written consent.

(f) The Company shall have full discretion in the conduct, defence and/or settlement of any claim.

(g) No repairs may be authorized to the Participant's Vehicle without the Company's prior written consent.

(h) In the event the Participant's Vehicle is involved in an accident and gives rise to a claim, the Participant's Vehicle must be removed to a Repairer for repairs. Failure to remove the Participant's Vehicle to a Repairer would be a breach of this condition and the Company shall have the right to decline liability under Section A of the Certificate.

(i) In any event giving rise to a claim or series of claims under Section B(1)(b) of this Certificate, the Company may pay to the Participant the full amount of the Company's liability under Section B(1)(b) and relinquish the conduct of any defence, settlement or proceeding and the Company shall not be responsible for any damage alleged to have been caused to the Participant in consequence of any alleged action or omission by the Company in connection with such defence settlement or proceeding or by the Company relinquishing such conduct nor shall the Company be liable for any cost or expenses how whatsoever incurred by the Participant or any claimant or any person after the Company have relinquished such conduct.

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3. CANCELLATION

- (a) The Participant may cancel this Certificate at any time by notifying the Company in writing and the Company shall be entitled to deduct a service fee of RM10.00 from refund of Contribution.
- (b) The Company may also cancel this Certificate by giving the Participant fourteen (14) days written notice by registered post to the Participant's last known address.
- (c) The Participant shall within seven (7) days from the date of cancellation under paragraph (a) or (b) above, surrender the Certificate of Takaful to the Company or, if it has been lost or destroyed or it is not received by the Participant, to provide the Company with a statutory declaration to that effect.
- (d) In case of cancellation requested by the Participant (provided no claim has arisen during the then current Period of Takaful), the Participant shall be entitled to refund the pro rata Contribution for the unexpired period calculated from the date of receipt by the Company of the Certificate or the statutory declaration in the event that the Certificate is lost or destroyed or not received by the Participant.
- (e) In case of cancellation by the Company, the Participant shall be entitled to refund the pro rata Contribution for the unexpired period calculated from the date of receipt by the Company of the Certificate or the statutory declaration in the event that the Certificate is lost or destroyed or not received by the Participant.
- (f) No refund of Contribution for any cancellation of Certificate if Contribution is charged on minimum Contribution of RM100.00.

4. EXPENSES

The Company shall bear all its own operating expenses. Takaful Participants shall bear necessary expenses incurred for their benefits as allowed by the regulator.

5. OTHER TAKAFUL/INSURANCE

The Participant must give the Company written notice if the Participant has any other Takaful/insurance covering the Participant's Vehicle. If at the time any claim arises under this Certificate, there is any other existing Certificate/policy covering the same loss, damage or liability, the Company shall only pay the Company's ratable proportion of any loss, damage, compensation, costs or expenses. However, nothing in this condition shall impose on the Company any liability from which the Company would not have been subject to.

6. SUBROGATION

The Company shall be entitled if the Company so desire to take over conduct at the Company's own expense in the Participant's name the defence or settlement of any claim or to prosecute in the Participant's name for the Company's benefit any claim for indemnity or damages or otherwise. The Company shall have absolute discretion in the conduct of any proceedings and in the settlement of any claim and the Participant shall give all such information and assistance as the Company may require.

7. ARBITRATION

All differences arising out of this Certificate shall be referred to an Arbitrator who shall be appointed in writing by the Participant and the Company. In the event that the Participant and the Company are unable to agree on who is to be the Arbitrator within one (1) month of being required in writing to do so then the Participant and the Company shall be entitled to appoint an Arbitrator each who shall proceed to hear the differences together with an Umpire to be appointed by both Arbitrators. However this is provided that any disclaimer of liability by the Company for any claim hereunder must be referred to an Arbitrator within twelve (12) calendar months from date of the Company's disclaimer to the Participant.

8. OTHER MATTERS

This Certificate will only be operative if:-

- (a) Any person claiming protection has complied with all its terms, conditions, Endorsements, clauses or warranties.
- (b) The Participant has taken all reasonable precautions to maintain the Participant's Vehicle in an efficient roadworthy condition.
- (c) The Participant has taken all reasonable precautions to safeguard the Participant's Vehicle from loss or damage.
- (d) The Participant must grant the Company's free access at all reasonable times to examine the Participant's Vehicle.

9. CONTRIBUTION ALLOCATION

Takaful Contribution allocated by the Takaful Participant as shown in the Schedule shall be placed in the Ta'awuni Account Pool (TAP) at inception to pay Wakalah Fee to Shareholders' Fund and Tabarru' to Risk Fund. The Company will manage the TAP according to the Wakalah principle as defined by the Company and in accordance with the Shariah principles

The Company will charge up to 40% of the Takaful 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 all Takaful Participants in time of misfortune.

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10. SURPLUS

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 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. If the amount due to Takaful Participant is less than the threshold, the amount shall either be retained in the Risk Fund or donated to charity on behalf of the Takaful Participants. The threshold and the method and time of settlement of the surplus distribution shall be as defined in the Surplus Management Policy.

Any deficit in the Risk Fund would 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.

11. RECEIPT OF DISCHARGE

Payment of any amount paid or made by the Company shall be a valid discharge of liability to the Company and shall release the Company of all claims and demands whatsoever in respect thereof.

12. TAX

Any contributions, fees and/or monies payable under this Takaful Certificate are subject to any taxes, levies, or charges imposed by the relevant authorities in Malaysia unless otherwise stated.

13. THIRD PARTY ENGAGEMENT

In carrying out the mandate conferred on it by the Takaful Participants, the Company, may find it necessary to avail itself the services of third parties, therefore the Takaful Participants hereby authorize the Company to engage with the third party for the purpose and benefit of participants and Takaful Business.

IF THE PARTICIPANT SELLS HIS/HER MOTOR VEHICLE THIS NOTICE IS IMPORTANT AND MUST BE COMPLIED WITH:-

Participants are hereby warned that under the Road Transport Act 1987 (Malaysia), it shall be unlawful for person to use or permit any other person to use a motor vehicle without a valid Certificate of Takaful.

Participants are further warned that on the sale of a motor vehicle, they must surrender the Certificate to the Takaful operator. If the Certificate has been lost or destroyed, a Statutory Declaration to that effect must be made. Failure to comply with this obligation is an offence under the Road Transport Act. The Certificate will cease to be valid once the motor vehicle has been sold to another person unless the transfer of interest has been duly notified to and agreed to by the Takaful operator concerned. If the Takaful operator agrees to cover the new owner they will endorse the Certificate accordingly and will issue a new Certificate in the new owner's name.

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.

ENDORSEMENTS

These Endorsements are not applicable unless they are specified in the Schedule or attached thereto.

1. ENDORSEMENT 1: EXCESS ALL CLAIMS

The Participant is responsible for the first RM (as per Certificate Schedule) of each and every claim payable (including costs and expenses and expenditure incurred by the Company in the conduct, defence and settlement of any claim) under *Section A / **Section A 1(e) & (f) of this Certificate in addition to any other excess that may be applicable. If the expenses incurred by the Company includes the amount for which the Participant is responsible, such amount shall be repaid to the Company.

Subject otherwise to the terms and conditions of this Certificate.

Note: * Applicable to Comprehensive Certificate
 ** Applicable to Third Party Fire and Theft Certificate

N.B. The amount of excess mentioned herein shall be held to apply in addition to any other excess that may be applicable to this Certificate.

2. ENDORSEMENT 3(p): THIRD PARTY ONLY TAKAFUL

The cover provided for in this Certificate is limited to Third Party only i.e. Section B (LIABILITY TO THIRD PARTIES). Section A (LOSS OR DAMAGE TO VEHICLE) is cancelled.

Subject otherwise to the terms and conditions of this Certificate.

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3. ENDORSEMENT 3(q): THIRD PARTY, FIRE AND THEFT TAKAFUL

The cover provided for in this Certificate is limited to Third Party Fire and Theft only. Section A (LOSS OR DAMAGE TO VEHICLE) of this Certificate will cover the Participant if the Participant's Vehicle is damaged or lost by fire, explosion, lightning, burglary, housebreaking or theft and Section B (LIABILITY TO THIRD PARTIES).

Subject otherwise to the terms and conditions of this Certificate.

4. ENDORSEMENT 15: HIRE FINANCING

The Company has noted and agreed that (as per Certificate Schedule) (hereinafter referred to as the Owners) are the Owners of the Participant's Vehicle under a Hire Financing Agreement made between the Owners and the Participant. Any payment for the loss or damage to the Participant's Vehicle (which loss or damage is not made good by repair reinstatement or replacement) under Section A of this Certificate will be paid to the Owners so long as they are the Owners of the Participant's Vehicle. Their receipt shall be a full and final discharge to the Company in respect of such loss or damage. This Certificate is issued to the Participant as the principal party and not as agent or trustee for the Owners nor as an assignment by the Participant to the Owners of the Participant's rights, benefits and claims under this Certificate. The Participant shall not assign the Participant's rights, benefits and claims under this Certificate without prior written consent from the Company.

Subject otherwise to the terms and conditions of this Certificate.

5. ENDORSEMENT 15(a): EMPLOYERS' FINANCING

The Company has noted and agreed that the Participant's employer (as per Certificate Schedule) are interested in any moneys payable to the Participant vide this Certificate in respect of loss or damage to the Participant's Vehicle (which loss or damage is not made good by repair reinstatement or replacement) and such moneys shall be payable to (as per Certificate Schedule) until notice is given to the Company that they have no financial interest in the Participant's Vehicle, and their receipt shall be a full and final discharge of the Company's liability in respect of such loss or damage.

Except by this Endorsement, nothing herein shall modify or affect the Company's/ the Participant's rights and liabilities under this Certificate.

Subject otherwise to the terms and conditions of this Certificate.

6. ENDORSEMENT 19: PASSENGER RISK

The Company agrees that Exclusion (c) of Section B of this Certificate is cancelled. Provided that in the event of an accident occurring whilst the motor vehicle is carrying more than (as per Certificate Schedule) persons (in addition to the attendant/conductor if any and the driver) the Participant shall repay the Company a rateable proportion of the total amount payable by the Company. Provided however that in totaling the number of persons concerned for the purposes of the preceding proviso such adjustments shall be made as are permitted under any legislation applying to the carriage of children in the motor vehicle.

Subject otherwise to the terms and conditions of this Certificate.

7. ENDORSEMENT 25: STRIKE RIOT AND CIVIL COMMOTION

The Company has noted and agreed that the words "strike, riot and civil commotion" in General Exclusion 4 of this Certificate shall not apply to any accident loss damage or liability 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 lockout or not) or the action of any lawfully constituted authority in suppressing or attempting to suppress any such disturbance or in minimizing the consequences of such disturbance.
2. the willful act of any striker or locked out worker done in furtherance of a strike or in resistance to a lockout or 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 the indemnity given by reason of this Endorsement shall not apply to any accident loss damage or liability (except so far as is necessary to meet the requirements of the Legislation) directly or indirectly proximately or remotely occasioned by contributed to by or traceable to or arising out of or in connection with

- (a) war, invasion, the act of foreign enemies, hostilities or warlike operations (whether war be declared or not) civil war
- (b) mutiny, civil commotion, assuming the proportions of or amounting to a popular rising military rising rebellion, revolution, insurrection, military or usurped power or any act of any person acting on behalf of or in connection with any organization with activities directed towards the overthrow by force of the Government de jure or de facto or to the influencing of it by terrorism or violence or by the direct or indirect consequences of any of the said occurrences.

In the event of any claim hereunder the Participant shall prove that the accident loss damage or liability arose independently of and was in no way connected to by or traceable to any of the said occurrences or any consequence thereof and in default of such proof the Company shall not be liable to make any payment in respect of such a claim.

Subject otherwise to the terms and conditions of this Certificate.

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8. ENDORSEMENT 30: REPLACEMENT PARTS

In the event that spare parts or Accessories for the repairs of the Participant's Vehicle is not available in Malaysia, or if the Company exercise the Company's option to pay in cash for the loss or damage, then the Company's liability for such spare parts/ Accessories shall be

- (a) the price quoted in the latest catalogue or price list issued by the manufacturer or their agent, or in the event no such catalogue exists the price at manufacture's work plus reasonable cost of transport (except air freight) and
- (b) reasonable cost of fitting such spare parts/ Accessories.

Subject otherwise to the terms and conditions of this Certificate.

9. ENDORSEMENT 38: MOBILE CRANES

The Company agrees that in respect of the motor vehicle (as per Certificate Schedule) the Company shall not be liable:-

- (a) Under Section A of this Certificate in respect of loss or damage resulting from overturning arising out of the operation as a tool of such vehicle or of plant forming part of such vehicle or attached thereto except for loss or damage arising directly from fire external explosion self-ignition or lightning or burglary housebreaking or theft.
- (b) Under Section B of this Certificate except so far as is necessary to meet the requirements of the Legislation in respect of liability incurred by the Participant arising out of the operation as a tool of such vehicle or of plant forming part of such vehicle or attached thereto.

N.B.1 Omit paragraph (a) for:-

- i) Third Party Certificate.
- ii) Comprehensive Certificate where an additional Contribution has been paid for inclusion of damage by overturning

N.B.2 Where a Contribution reduction is allowed for exclusion of damage when in use as a tool of trade, omit from paragraph (a) the words "resulting from overturning" and "except for loss or theft".

N.B.3 Where additional Contribution has been paid for the inclusion of Third Party risks while in use as a tool of trade, omit paragraph (b) for Comprehensive Certificate and for Third Party Certificate omit Endorsement entirely.

10. ENDORSEMENT 38A: INCLUSION OF ACCIDENTAL DAMAGE TO THE BOOM

In consideration of the payment of additional Contribution by the Participant to the Company, the following is deemed to be covered under Section A of this Certificate:-

"Accidental and unforeseen damage to the boom of the crane while in use as a tool of trade".

The Company will not pay for the damage to the boom:-

- (a) caused by mechanical breakdown
- (b) caused by wear and tear

Subject otherwise to the terms and conditions of this Certificate.

11. ENDORSEMENT 39: EXCLUSION OF THIRD PARTY WORKING RISKS

The Company agree that the Company shall not be liable under Section B of this Certificate in respect of liability incurred by the Participant arising out of the operations as a tool of the motor vehicle or of any plant forming part of such motor vehicle or attached thereto except so far as is necessary to meet the requirements of the Legislation.

12. ENDORSEMENT 57: INCLUSION OF SPECIAL PERILS

In consideration of the payment of additional Contribution by the Participant to the Company the following peril(s) is/are deemed to be covered under Section A of this Certificate:-

Flood, typhoon, hurricane, storm, tempest, volcanic eruption, earthquake, landslide, landslip, subsidence or sinking of the soil/earth or other convulsion of nature is involved.

Subject otherwise to the terms and conditions of this Certificate.

13. ENDORSEMENT 89: COVER FOR WINDSCREENS, WINDOWS AND SUNROOF

In consideration of the payment of additional Contribution by the Participant to the Company, the Company will pay the cost of replacing/ or repairing any glass in the windscreen, window or sunroof including lamination/ tinting film, if any, of the Participant's Vehicle following breakage of such glass up to an amount not exceeding RM (as per Certificate Schedule). Provided no claim is made for any further damage to the Participant Vehicle, any claim under this Endorsement shall not affect the Participant's No-Claim-Discount and the Participant shall not be liable for any excess as stated in the Certificate. This benefit shall automatically be terminated upon replacement of any glass in the windscreen, window or sunroof unless the cover is reinstated by payment of a further additional Contribution. The Participant may however, subject always to the

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Company agreement whether obtained before or after repair, exercise an option to repair the damaged windscreen, window or sunroof of the Participant Vehicle. In the event the Participant opts to repair, the Company will continue to provide this benefit to the Participant during currency of this period for the amount as stated above:-

- (a) Less any claim paid by the Company for the repair; or
- (b) For the reinstated original amount provided the Participant has paid to the Company a further additional Contribution for reinstatement.

However, in the event of a dispute on the option to repair or replace, the Company's decision shall be final.

Subject otherwise to the terms and conditions of this Certificate.

14. ENDORSEMENT 95: LEASING AGREEMENT

The Company has noted and agreed that:-

1. (As per Certificate Schedule) (hereinafter referred to as the Lessors) are the owners of the Participant's Vehicle which is the subject of a Leasing Agreement made between the Lessors and the Participant of the other part.
2. Any payment made in respect of loss or damage (which loss or damage is not made good by repair reinstatement or replacement) pursuant to any legal liability on the Company's part to the Takaful Participant under Section A of this Certificate shall be made to the Lessors as long as they are owners of the Participant's Vehicle and their receipt shall be a full and final discharge to the Company in respect of such loss or damage.
3. Regardless of any provision in the Leasing Agreement this Certificate is issued to the Takaful Participant as the principal party and not as agent or trustee for the Lessors. The Takaful Participant cannot assign to the Lessors (whether legal or equitable) the Participant's rights benefits and claims under this Certificate.
4. Nothing herein shall be construed as creating and vesting any right in the Owner/ Lessor to sue the Company in any capacity whatsoever for any breach of the Company's obligations.

Subject otherwise to the terms and conditions of this Certificate.

15. ENDORSEMENT 106: INSURER'S/TAKAFUL OPERATOR'S AUTHORISED WORKSHOP

Conditions 2(h) of this Certificate is hereby amended to read as follows:-

In the event the Participant's Vehicle is involved in an accident and gives rise to a claim, the Participant's Vehicle must be removed to a PIAM Approved Repairers Scheme (PARS) workshop selected and approved by the Company for repairs. Failure to remove the Participant's Vehicle to an approved workshop would be a breach of this Endorsement and the Company shall have the right to decline liability under Section A of the Certificate.

16. ENDORSEMENT 109: EXTENSION OF COVER FOR FERRY TRANSIT TO AND/OR FROM SABAH AND THE FEDERAL TERRITORY OF LABUAN

The Company will cover the Participant under Section A of this Certificate if the Participant's Vehicle is damage or lost when in transit to and/or from Sabah and Federal Territory of Labuan. In the event of any claim arising from this extension, the Participant is responsible in respect of each and every event for an excess of 1% of sum covered or RM500 (whichever is higher) in addition to the excess stated in the Schedule.

Subject otherwise to the terms and conditions of this Certificate.

WARRANTY

This Warranty is not applicable unless they are specified in the Schedule or attached thereto.

1. WARRANTY NO. 1 WARRANTY ON OVERLOADING OF VEHICLE

Warranted that the Company shall not be liable under Section A of this Certificate in the event that at the time of accident giving rise to a claim under this Certificate the Participant's Vehicle carries a load in excess of the permitted weight and/or number of passengers as specified in the registration book of the Participant's Vehicle. Provided always that this warranty shall not apply unless overloading exceeds by 10% of the permitted weight (for goods carrying vehicles).

Subject otherwise to the terms and conditions of this Certificate.

Notes: For the purpose of calculating the number of persons where children are carried, such adjustments shall be made as are permitted under any legislation applying to the carriage of children in the motor vehicle.

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

Tel: +603-27239696

Fax: +603-27239998

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

For legal notices to be considered as properly served or any official correspondences, please send to:

**Takaful Ikhlas General Berhad,
IKHLAS Point, 9th Floor, Tower 11A, Avenue 5, Bangsar South,
No. 8 Jalan Kerinchi, 59200 Kuala Lumpur.**

Attention to: President and Chief Executive Officer

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.

PROCEDURE FOR COMPLAINT TO OMBUDSMAN FOR FINANCIAL SERVICES

1. Any Participant who is not satisfied with the decision of the senior management of a Takaful Operator, may write to the "Ombudsman for Financial Services", giving details of the dispute, the name of the Takaful Operator and the Certificate number.
2. Copies of the correspondence between the Participant and the Takaful Operator may be sent to facilitate tracing the case file kept by the Takaful Operator.
3. If the Mediator makes an award against a Takaful Operator, the Participant is required to inform the Mediator whether he accepts the award within fourteen (14) days, so that the Takaful Operator can be informed of the Participant decision.
4. There is no appeal procedure within the Ombudsman for Financial Services. If the Participant does not want to accept the award, he may reject the decision of the Mediator and he is free to institute Court proceedings against the Takaful Operator or refer it to Arbitration.
5. The Ombudsman for Financial Services is not responsible for handling payment following the decision of the Mediator. The Takaful Operator when informed of the acceptance of the award is required to remit the amount direct to the claimant within thirty (30) days.
6. At present, there is no fee or charge for the services provided by Ombudsman for Financial Services.

The contact address is as follows:

Ombudsman for Financial Services (664393P)

Level 14, Main Block
Menara Takaful Malaysia
No 4, Jalan Sultan Sulaiman
50000 Kuala Lumpur
Tel: 603-2272 2811
Fax: 603-2272 1577
E-mail: enquiry@ofs.org.my
Website: www.ofs.org.my

PROCEDURE FOR COMPLAINT TO BNMTELELINK

Any Participant or claimant who is not satisfied with the conduct of the Takaful Operator may write to BNMTELELINK, giving details of the complaint, the name of Takaful Operator and Certificate number or the Claim number.

Copies of the correspondence (if any) between the Participant or the Claimant and the Takaful Operator may also be sent to facilitate tracing the case file kept by the Takaful Operator.

The contact details are as follows:

Contact Centre (BNMTELELINK)
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