



TAKAFUL IKHLAS GENERAL BERHAD (1233870 - A)

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

IKHLAS GOODS IN TRANSIT TAKAFUL CERTIFICATE

WHEREAS the Takaful Participant by a Proposal and Declaration which shall be the basis of this Takaful Certificate and is deemed to be incorporated herein has applied to **Takaful Ikhlas General Berhad** (hereinafter called "Company") for the Takaful Participant hereinafter contained and has paid or agreed to pay the First Takaful Contribution as consideration for such Takaful Certificate.

NOW THIS TAKAFUL CERTIFICATE WITNESSETH that if during the Period of Takaful the Property whilst in or on or being loaded on or unloaded from any road vehicle or passenger or goods train or whilst temporarily housed in the ordinary course of transit whether on or off the said conveyances within the Territorial Limits shall be lost destroyed or damaged by Fire Theft or Accidental Means, then the Company shall indemnify the Takaful Participant in respect of such loss destruction or damage but not exceeding the Limits of Liability specified in the Schedule or the amount declared in the Schedule on each item of the Property Covered in respect of such transit.

PROVIDED that if the total value of the Property in transit exceeds the Limit of Liability shall be considered as being his own Insurer for the difference and shall bear a rateable share of the loss destruction or damage accordingly.

EXCEPTIONS

The Company shall not be liable in respect of :-

1. loss or destruction of or damage to livestock explosives goods of a dangerous nature, tobacco, cigarettes, cigars, wines, spirits, radios, televisions, tape recorders, furs, watches, clocks, jewellery gold and silver articles, precious metals and stones, bullion, cash bank notes, stamps, deed, bonds, securities, bills of exchange, documents, manuscripts or plans.
2. destruction of or damage to china glass, earthenware, pictures, scientific instruments, statuary marble or plasterwork unless caused by fire, theft, an accident to the conveyance or an object falling on to the conveyance, loss of any liquid gas or goods from containers by leakage or spilling unless caused by fire, an accident to the conveyance or an object falling on to the conveyance.
4. loss, destruction or damage caused by delay or inherent vice or nature of the subject matter covered weather atmospheric conditions, ordinary leakage, ordinary loss in weight, wear and tear, vermin insufficiency or unsuitability of packing hooks, delay, loss of market depreciation or deterioration or consequential loss of any kind.
5. loss, destruction or damage whilst the property is temporarily housed in the course of transit for the purpose of storage making up packing or processing.
6. loss, destruction or damage occasioned by or happening through volcanic eruption, subterranean fire, earthquake or other convulsion of nature, war, invasion, act of foreign enemy hostilities (whether war be declared or not) civil war, rebellion, revolution, insurrection, military or usurped power, riot, strike or civil commotion.
7. loss, destruction or damage occasioned by or happening through confiscation, nationalization, detention, requisition or wilful destruction by any government, public municipal, local or customs authority.
8. theft or pilferage in which any employee of the Takaful Participant is concerned as principal or accessory.
9. loss, destruction or damage directly or indirectly caused by or contributed to by or arising from
 - (a) ionizing, radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel nor any consequential loss and for the purposes of this exception combustion shall include any self-sustaining process of nuclear fission
 - (b) nuclear weapons material
10. loss of or damage to the goods which are stolen from any unattended conveyances.

CONDITIONS

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 authorise the Company to engage with the third party for the purpose and benefit of participants and Takaful Business.

1. This Takaful Certificate and the Schedule shall be read together as one contract and any word or expression to which a specified meaning has been attached in any part of this Takaful Certificate or of the Schedule shall bear such specific meaning wherever it may appear.
2. Every notice or communication to be given or made under this Takaful Certificate shall be delivered in writing to the Head Office or any Branch Office of the Company from which this Takaful Certificate was issued and notice or knowledge of anything relating to the Takaful Certificate or any claim hereunder shall not be deemed to be notice to or within the knowledge of the Company unless so given and no alteration in the terms of this Takaful Certificate nor any endorsement hereon will be held valid unless the same is signed or initialled by an authorized representative of the Company.
3. The Takaful Participant shall take all reasonable precautions for the safety of the property and shall act with reasonable dispatch in all circumstances within their control.

When the property is carried on any vehicle or trailer owned or operated by the Takaful Participant then the Takaful Participant shall exercise all care and diligence in the selection of steady, trustworthy, sober and competent drivers and shall see that all vehicles or trailers are overhauled periodically and kept in a proper and efficient state of repair.

4. On the happening of any event giving rise or likely to give rise to a claim under this Takaful Certificate coming to his knowledge the Takaful Participant shall:
 - (a) give immediate notice thereof in writing to the Company stating the circumstances of the claim and as soon as possible and in any event within thirty (30) days' of such notice deliver to the Company a statement in writing with all particulars and details reasonably practicable of the property affected and the value thereof and of the loss, destruction or damage
 - (b) take immediate steps to minimize the damage and recover any missing property and give notice to any Third Party who had custody of the property or who may be responsible for loss destruction or damage.
 - (c) if the claim be one for theft give immediate notice to the Police.
5. If at the time of the happening of any loss, destruction or damage covered by this Takaful Certificate there shall be any other Takaful Certificate covering the same risk whether affected by the Takaful Participant or not then the Company shall not be liable to pay more than their rateable proportion of the loss destruction or damage.
6. The Company may by notice in writing to the Takaful Participant under registered letter to his last known address give seven (7) days' notice of their intention to terminate this Takaful Certificate returning on demand a proportion of the Takaful Contribution corresponding to the unexpired period of Takaful.
7. The Takaful Participant shall not without the consent in writing of the Company incur any expense whether by litigation or otherwise or make any payment offer promise settlement arrangement or admission of liability in respect of any claim for which the Company may be liable under this Takaful Certificate. The Company shall in respect of anything covered under this Takaful Certificate be entitled to take over and conduct in the name of the Takaful Participant at their own expense and for their own benefit any claim for indemnity or otherwise against any persons and shall have full discretion in the conduct of any proceedings and in the settlement of any claim and the Takaful Participant shall give all such information and assistance as the Company may require.

The Company shall be entitled to reinstate repair or replace the property lost destroyed or damaged as the case may be instead of paying the amount of the loss destruction or damage. Upon the payment of any claim for loss under this Takaful Certificate the property in respect of which such payment is made shall belong to the Company.

8. All differences arising out of this Takaful Certificate shall be referred to the decision of an Arbitrator to be appointed in writing by the parties in difference or if they cannot agree upon a single Arbitrator to the decision of two Arbitrators one to be appointed in writing by each of the parties within one calendar month after having been required in writing so to do by either of the parties or in case the Arbitrators do not agree of an Umpire appointed in writing by the Arbitrators before entering upon the reference. The Umpire shall sit with the Arbitrators and preside at their meetings and the making of an Award shall be a condition precedent to any right of action against the Company. The costs of and connected with the arbitration shall be in the discretion of the Arbitrators Arbitrator or Umpire. If the Company shaft disclaim liability to the Takaful Participant for any claim hereunder and such claim shall not within twelve calendar months from the care of such disclaimer have been referred to arbitration under the provisions herein contained then the claim shall for all purposes be deemed to have been abandoned and shall not thereafter be recoverable hereunder.
9. The due observance and fulfilment of the terms provisions conditions and endorsements of this Takaful Certificate by the Takaful Participant in so far as they relate to anything to be done or complied with by him and the truth of the statements and answers in the proposal shall be conditions precedent to any liability of the Company to make any payment under this Takaful Certificate.
10. This Takaful Certificate may be terminated at any time at the request of the Takaful Participant, in which case the Company will refund the balance of the General Risk Investment Account (GRIA) for the unexpired period of cover, plus surplus, if any,

less related expenses. This Takaful Certificate may also be terminated at the option of the Company by sending fourteen (14) days' notice by registered letter to the Takaful Participant at his last known address, in which case the Company shall be liable to repay.

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

11. Payment of the Takaful Contribution paid by the Takaful 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 30% 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 other Takaful Participants in time of misfortune.
12. At each financial year-end, the Actuary will assess the surplus position of the Risk Fund, to preserve long term sustainability of the 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 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. Both the threshold and the treatment of such amount 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.
13. This Takaful Certificate and the Proposal all endorsements hereon including the schedules hereto shall be construed in accordance with the laws of Malaysia.

In the event that there is a conflict between a term in the Proposal and a term in the Certification herein, the provision in the Takaful Certificate shall prevail in so far as it relates to the matters set forth in the Takaful Certificate.
14. 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.
15. The Company shall bear all its own operating expenses. Takaful Participants shall bear necessary expenses incurred for their benefits as allowed by the regulator.

THE FOLLOWING CLAUSES/MEMORANDUM/WARRANTY SHALL APPLY TO AND FORMING PART OF THIS TAKAFUL CERTIFICATE WHEN SPECIFICALLY MENTIONED IN THE SCHEDULE OR ENDORSED THERETO

G01 MEMORANDUM

As per attached schedule

G02 UNATTENDED VEHICLE CLAUSE

The Takaful Certificate does not cover any loss or damage to the property covered against theft of pilferage or any attempt thereat whilst the conveyance is left unattended in any public place or is laid up or temporarily stored in any garage or similar premises unless the theft or pilferage is the result of actual forcible and violent breaking into or out of the conveyance bearing visible marks made on the conveyance at the place of such entry or exit by tool, explosives, electrical appliances, chemicals or any other equipment or devices or committed by any person or persons concealed therein with intention to commit such theft or pilferage.

G03 INLAND TRANSIT (ALL RISKS) CLAUSE

Warranted held covered against all risks of loss and/or damage irrespective of percentage whilst in transit by road and/or rail and/or river, canal or inland waterway including transit by craft and/or ferry across the Straits of Johore or from the island of Penang to the Mainland.

Risks to commence from the time of dispatch from the Takaful Participant's warehouse and/or store and/or premises at the place named in the Takaful Certificate for the commencement of the transit and to expire on delivery to the consignee's premises at the destination named in the Takaful Certificate.

Excluding

1. Loss, damage or expense caused by or arising out of inherent vice or the nature of the property covered or from loss market.

2. Loss or damage arising out of mechanical and electrical derangement unless caused by the collision and/or overturning and/or derailment and/or stranding and/or burning and/or sinking of the conveyance.
3. Loss or damage arising as the consequence of hostilities or warlike operations (whether there be a declaration of war or not), civil war, revolution, rebellion, insurrection, civil strife arising therefrom, or piracy.
4. Loss or damage caused by strikers, locked out workmen or persons taking part in labour disturbances riots or civil commotions.

Warranted free from liability for loss of or damage to goods whilst in the custody or care of any carrier or other bailee who may be liable for such loss or damage but only to the extent of such carrier's or bailee's liability.

G04 COINSURANCE/COTAKAFUL LEADER CLAUSE

It is hereby declared and agreed notwithstanding anything contained in the Takaful 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 Takaful Participant shall sustain loss or damage in the circumstances provided for by this Takaful Certificate indemnify the Takaful Participant in the manner herein described:

Company	Proportion
..... A specified in the Schedule	

it is further declared and agreed notwithstanding anything contained to the contrary that the lead co-Takaful/Takaful, is authorized to sign the Takaful Certificate/ Endorsement/Renewal Receipt.

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

Subject otherwise to the terms and conditions of this Takaful Certificate.

G05 STRIKE, RIOT AND CIVIL COMMOTION

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Takaful Certificate or endorsed thereon, and subject to the Takaful Participant having paid the agreed extra Takaful Contribution this Takaful 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 wilful 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 Takaful Certificate shall apply in all respects to the Takaful cover 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 Takaful 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 Takaful Certificate shall apply in all respects to the coverage granted by the Takaful Certificate as if this Endorsement had not been made thereon.

Special Conditions

1. This Takaful Certificate 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 are not relieved under b or c above of any liability to the Takaful Participant in respect of physical damage to the property covered occurring before dispossession or during temporary dispossession.

- 2. This Takaful Certificate 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 Certificate, the burden of proving that such loss or damage is covered shall be upon the Takaful 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 Takaful Participant's last known address, in which case the Company shall be liable to repay a rateable proportion of the Takaful 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 Takaful Certificate shall be limited by twice the limit of indemnity any one occurrence.

G06 LOSS NOTIFICATION

Notwithstanding anything contained herein to the contrary it is agreed that this Takaful Certificate 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 Takaful 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 Takaful Participant.
- d. the Company's right to recover (in the name of the Takaful 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 Takaful Certificate.

G07 TERRORISM EXCLUSION

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

- any act of terrorism

For this purpose 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), 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 Certificate, except to the extent that the Takaful 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 Certificate, the burden of proving that such loss or damage is covered shall be upon the Takaful Participant.

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

G08 INLAND TRANSIT CLAUSE (LORRY CLAUSE)

This Takaful Certificate covers loss of or damage to the interest covered hereby whilst in ordinary or customary course of transit, occasioned by the carrying vehicle or conveyance being on fire, derailed, overturned or in collision, struck by lightning or other accident to the vehicle or conveyance such as involuntarily leaving the road and breakdown of bridges.

Warranted free from all claims occasioned by loss of market, delay or deterioration.

Warranted that no liability shall attach to the Company under this Takaful Certificate in respect of goods lost or damage whilst in custody of the Railway, or other carrier unless a claim provisional or otherwise has been lodged in writing by the Takaful Participant against the Railway or other Carrier concerned within the period prescribed by the contract of carriage.

Company to be entitled to any amount recovered from the carriers or others in respect of claims (less cost of recovery, if any) up to the amount paid by them in respect of such claims.

WARRANTED NO LIABILITY FOR LOSS OR DAMAGE ARISING OUT OF THEFT, PILFERAGE OR NON-DELIVERY TO ATTACH HERETO UNLESS NOTICE OF SURVEY HAS BEEN GIVEN TO THE COMPANY'S AGENTS WITHIN THREE DAYS OF THE EXPIRY OF RISK UNDER THE TAKAFUL CERTIFICATE.

G09 TERMINATION OF TRANSIT CLAUSE (TERRORISM)

This Clause shall be paramount and shall override anything contained in this Takaful Certificate inconsistent therewith.

1. Notwithstanding any provision to the contrary contained in this Takaful Certificate or the Clauses referred to herein, it is agreed that in so far as this Takaful Certificate covers loss of or damage to the subject matter covered by any terrorist or any person acting from political motive, such cover is conditional upon the subject matter covered being in the ordinary course of transit and in any event **SHALL TERMINATE:**

either

- 1.1 As per the transit clauses contained within the Takaful Certificate.

or

- 1.2 on delivery to the Consignee's or other final warehouse or place of storage at the destination named herein,

- 1.3 on delivery to any other warehouse or place of storage, whether prior to or at the destination named herein, which the Takaful Participant elect to use either for storage other than in the ordinary course of transit or for allocation or distribution.

or

- 1.4 in respect of marine transits, on the expiry of sixty (60) days after completion of discharge over side of the goods hereby covered from the oversea vessel at the final port of discharge.

- 1.5 in respect of air transit, on the expiry of thirty (30) days after unloading the subject matter covered from the aircraft at the final port of discharge, whichever shall first occur.

2. If this Takaful Certificate or the Clauses referred to herein specifically provide cover for inland or other further transits following on from storage, or termination as provided for above, cover will re-attach, and continues during the ordinary course of that transit terminating again in accordance with clause 1.

3. This clause is subject to English law and practice.

G10 CONTRIBUTION WARRANTY

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

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

Where the Takaful 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 Takaful Contribution payable was received by a person, including a Takaful agent, who was not authorized to receive such Takaful Contribution shall lie on the Company.

Subject otherwise to the terms and conditions of this Takaful Certificate.

XXX 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.

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

If you are not satisfied with the rejection or offer of settlement of a claim, you may appeal to the Company. If you are still not satisfied with the decision of the Company, you may then refer the case to the Ombudsman for Financial Services within six (6) months from the final decision of the Company. The 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	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
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