

PRODUCT DISCLOSURE SHEET

(Read this Product Disclosure Sheet before you decide to participate in the “*IKHLAS* Premier Investment-linked Takaful Plus”. Be sure to also read the general terms and conditions).

TAKAFUL IKHLAS BERHAD

(Formerly known as Takaful Ikhlas Berhad)

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

IKHLAS PREMIER INVESTMENT-LINKED TAKAFUL PLUS

Date: 01/12/2018

1) What is this product about?

This Investment-Linked Takaful (ILT) Certificate offers combination of takaful protection and investment. It provides a lump sum benefit in the event of death or total and permanent disability (TPD) of the Person Covered during the term of the Takaful Certificate plus the value of the investment units, at the time of claim.

Value of the ILT depends on the price of the underlying units, which in turn depends on the performance of the chosen funds.

Takaful Participant has the option to invest in three (3) types of funds namely the Growth Fund, Balanced Fund and Fixed Income Fund.

The Takaful plan matures upon Person Covered reaching age one hundred (100) years old.

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 Takaful Participants in times of misfortune. In the context of the Company, Tabarru' will be allocated into the Risk Fund.
- **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.

3) What are the covers / benefits provided?

This plan covers:

- | | |
|--|---------------------------------------|
| a) Natural Death or Total and Permanent Disability (TPD) ¹ | |
| • Lump Sum Payment | : RM110,000.00 ² |
| b) Accidental Death or TPD | |
| • Lump Sum Payment | : RM140,000.00 ² |
| c) Death or TPD caused solely and directly by accident while travelling in public conveyance or as a victim from act of crime. | : RM0.00 [on top of item (a) and (b)] |
| d) Accidental Partial and Permanent Disability (PPD) ³ | : RM30,000.00 |
| e) Critical Illness | |
| • Lump Sum Payment | : RM10,000.00 [accelerated] |
| • Waiver of Contribution (except Critical Illness Rider and <i>IKHLAS</i> Individual Medical Secure Takaful Rider) | : RM2,307.90 [annually] |

- f) Hospital Benefit : RM10.00 [daily income]
- g) Waiver of Contribution (Death, TPD or Critical Illness of the Takaful Participant) : RM0.00 [annually]
- h) Medical Benefit - *IKHLAS* Individual Medical Secure Takaful Rider
- Hospital Room & Board : 150.00
 - Hospital and Surgical Benefits : As Charged
 - Nursing at Home : As Charged
 - Outpatient Cancer Treatment : As Charged
 - Outpatient Kidney Dialysis : As Charged
 - Organ Transplant : Not Covered
 - Accidental Traditional Medical Treatment : Not Covered
 - Government Hospital Daily Cash Allowance : Not Covered
 - Lodger Expenses : Not Covered
 - Medical Report Fee : 50.00
 - Services Tax : covered
 - Reimbursement of medical expenses up to:
 - i) Overall Annual Limit : 35,000.00
 - ii) Lifetime Limit : 350,000.00
 - Wellness Benefit : 80.00 per year

i) Loyalty Benefit

The Person Covered shall be entitled for cumulative Loyalty Benefit at the end of 10th Takaful Certificate year and every subsequent three (3) years thereafter, if the regular Takaful Contribution is promptly paid during the period and subject to the conditions stated in the Takaful Certificate.

j) Prompt Payment Reward

The Person Covered will be granted an additional Sum Covered of 10% of the original Sum Covered without additional Takaful Contribution at the end of third (3rd) Takaful Certificate year and every subsequent three (3) years thereafter for a maximum of fifteen (15) years, if the regular Takaful Contributions are continuously and promptly paid during the period and subject to the conditions stated in the Takaful Certificate.

k) Fund Chosen:

Growth Fund : 100%
Balanced Fund : 0%
Fixed Income Fund : 0%

l) Takaful Certificate Maturity Benefit

The Net Asset Value (NAV) of the Unit Fund and the accumulated surplus from its Risk Fund will be payable upon maturity of the Takaful Certificate. Takaful Participant has an option to withdraw Maturity Benefit according to the:-

- i) Lump sum withdrawal; or
- ii) Monthly withdrawal within a stipulated time frame subject to the terms and conditions specified in the Takaful Certificate.

m) Takaful Certificate Surrender Benefit

The NAV of the Unit Fund and the accumulated surplus from its Risk Fund (after deducting the administration fee of up to RM50.00), is payable upon the surrender of the Takaful Certificate. This administration fee may be subject to any taxes, levies or charges imposed by the relevant authorities in Malaysia at the prevailing rate unless otherwise stated.

n) Top-up Option

Top up of Takaful Contribution is allowed from the commencement of the Takaful Certificate subject to the following conditions:

- Minimum Amount : RM500.00
- Maximum Amount: 5 times of Annual Takaful Contribution for each year.

o) Cash Withdrawal

Minimum amount of withdrawal is RM500.00. Partial withdrawal is subject to a minimum aggregated balance of RM3,000.00 in all unit funds. Each withdrawal transaction is subject to a withdrawal fee of a maximum amount of RM50.00. This withdrawal fee may be subject to any taxes, levies or charges imposed by the relevant authorities in Malaysia at the prevailing rate unless otherwise stated.

Note:

- 1 TPD is based on "Own or Suited Occupation" definition and the benefit is payable subject to an elimination period of six (6) months, provided that:
 - The total and permanent disability claim is confirmed.
 - The Takaful Contributions are not overdue.
- 2 Benefit payable may be lesser if the Takaful Participant participate in the Flat Reducing Cover Term Rider. The table below illustrates the difference of Term Rider Sum Covered between the Level Sum Covered and the Flat Reducing Sum Covered for the Takaful Certificate term 10 years and RM 100,000 Sum Covered.

| Years | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|--------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Level Sum Covered (RM) | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 |
| Flat Reducing Sum Covered (RM) | 100,000 | 90,000 | 80,000 | 70,000 | 60,000 | 50,000 | 40,000 | 30,000 | 20,000 | 10,000 |

- 3 The indemnity amount is as a percentage of the PPD coverage as specified in the Schedule of Indemnity stated in the Takaful Certificate. Takaful Participant can make more than one (1) claim under the PPD benefit, provided the total amount paid out does not exceed 100% of the Sum Covered.

Reminder: Please read the marketing literature which includes product benefits and objectives of the investment-linked fund. It is important to select a fund or a combination of funds that suit your financial goals and risk profile.

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

The total Takaful Contribution that you have to pay depends on the underwriting requirements, age, term, riders, occupational class and Sum Covered. Your Takaful Contribution is as follows:

- Person Covered Age : 35 Years Old
- Takaful Participant Age : -n/a- Years Old
- Occupational Class : 1

| Plan Detail | Term | Sum Covered (RM) | Takaful Contribution (RM) |
|---|------|------------------|---------------------------|
| a) <i>IKHLAS</i> Premier Investment-Linked Takaful Plus | 30 | 100,000.00 | 2,000.00 |
| b) <i>IKHLAS</i> Term Secure Takaful Rider | 30 | 10,000.00 | 45.60 |
| c) <i>IKHLAS</i> Accidental Death & Disability Secure Takaful Rider | 0 | 0.00 | -NA- |
| d) <i>IKHLAS</i> Accelerated Critical Illness Secure Takaful Rider | 30 | 10,000.00 | 124.20 |

| | | | | |
|--|---|----|-----------|-----------------|
| e) | IKHLAS Hospital Benefit Secure Takaful Rider | 30 | 10.00 | 18.60 |
| f) | IKHLAS Waiver of Contributions Secure Takaful Rider | 30 | 2,307.90 | 451.89 |
| g) | IKHLAS Payor Savings Secure Takaful Rider | 0 | - | -NA- |
| h) | IKHLAS Regular Top Up Secure Takaful Rider | 30 | 5,000.00 | 5,000.00 |
| i) | IKHLAS Comprehensive Personal Accident Benefit Secure Takaful Rider | 30 | 30,000.00 | 243.70 |
| j) | IKHLAS "Choice Plus" PLATINUM Individual Medical Secure Takaful Rider | 25 | Plan I | 1,341.00 |
| Total Annual Takaful Contribution | | | | 9,224.99 |

Takaful Contribution for *IKHLAS* Individual Medical Secure Takaful Rider will be allocated in the PRIA.

Except for *IKHLAS* Individual Medical Secure Takaful Rider, the Company will allocate a portion of the Takaful Contribution to purchase units in the investment-linked fund that you have chosen. Any unallocated amount will be used to pay wakalah fees, which include commissions to agents and other expenses of the Takaful Operator. You are advised to refer to the allocation rates given in the product illustration.

The renewal Takaful Contribution for plan related to Medical and Health is **NOT GUARANTEED** and the Company reserves the right to revise the Takaful Contribution rate applicable specifically to each Person Covered at the time of Takaful Certificate anniversary based on the emerging claims experience of the product. The Company shall give the Takaful Participant a 3 months written notice in the event of revision of Takaful Contribution or portfolio withdrawal. The Takaful Contribution could be revised due to deterioration in claims experience, changes in the product benefits as well as a change in the risk profile of the Takaful Participant. These conditions are not exhaustive and the Takaful Contribution rates may be reviewed under other justified circumstances.

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

a) Wakalah fee*

| Years | 1 | 2 | 3 | 4 | 5 | 6 | 7 and above |
|--|----------|----------|----------|----------|----------|----------|-------------|
| Amaun | 2,788.50 | 2,775.24 | 2,221.46 | 1,602.43 | 1,492.39 | 1,492.39 | 629.62 |
| % of Gross Annual Takaful Contribution | 30.23% | 30.08% | 24.08% | 17.37% | 16.18% | 16.18% | 6.83% |

* The Wakalah fee is inclusive of the commission and Takaful Certificate administration fee of RM 60 per annum.

b) Commission

| Years | 1 | 2 | 3 | 4 | 5 | 6 | 7 and above |
|--|----------|----------|----------|--------|--------|--------|-------------|
| Amaun | 1,765.00 | 1,765.00 | 1,131.25 | 920.00 | 814.37 | 814.37 | 75.00 |
| % of Gross Annual Takaful Contribution | 19.13% | 19.13% | 12.26% | 9.97% | 8.83% | 8.83% | 0.81% |

- c) The tabarru' amount are deducted monthly from the Units Fund. The tabarru' amount increase as the Person Covered and/or Takaful Participant grows older. Details of the tabarru' amount and other charges for this plan are illustrated in the benefit illustration.
- d) Administration fee of RM25.00 is charged for every top up.
- e) Fund Management Fee
- Fixed Income Fund :1.0% of net asset value
 - Other Funds : Maximum 1.5% of net asset value
- f) Switching Fee of 1.0% of amount switched, maximum of RM50.00 per switch is applicable on sixth (6) switching onwards, per Takaful Certificate year.

g) Withdrawal Charge is as per below table, maximum RM50.00 per withdrawal.

| | Withdrawal Charges (percentage of withdrawal amount) | | | |
|---------|---|----|----|------------|
| Year | 1 | 2 | 3 | Thereafter |
| Charges | 3% | 2% | 1% | 0% |

h) Surrender Charge of up to RM50.00.

i) RM10.00 stamp duty is imposed for each Takaful Certificate.

j) RM56.20 will be charged per annum for the TPA fees and charges for Claims Administration System (only applicable for *IKHLAS* Individual Medical Secure Takaful Rider).

Note: The above charges may be subject to any taxes, levies or charges imposed by the relevant authorities in Malaysia at the prevailing rate unless otherwise stated except for Wakalah Fee and Stamp Duty.

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

a) Importance of disclosure – you must disclose all material facts such as your age, occupation and health condition correctly. The Company has the right to repudiate liability in the event that you failed to disclose relevant information that would affect the decision to accept or reject the risk, and on the terms to be applied to you.

b) Cooling-Off Period – you may cancel your Takaful Certificate by returning the Takaful Certificate to the Company within fifteen (15) days after you have received the Takaful Certificate. The Company shall cancel it immediately upon receipt and refund the following:

For all plans, except for *IKHLAS* Individual Medical Secure Takaful Rider

- i) the unallocated Takaful Contributions; and
- ii) the value of units that have been allocated (if any) at the unit price at the next valuation date; and
- iii) any takaful charges and Takaful Certificate fee that have been deducted;

For *IKHLAS* Individual Medical Secure Takaful Rider

All Takaful Contributions have received for *IKHLAS* Individual Medical Secure Takaful Rider will be refunded after deducting expenses which may have been incurred by the Company for the medical examination of the Person Covered.

c) Waiting period for the Plan related to the Medical and Health Takaful is 30 days from the commencement date.

d) Unit Fund value - the Unit Fund value of the ILT depends on the performance of the investment-linked funds selected. The higher the level of takaful coverage selected, the more units will be absorbed to pay for the tabarru' charges and fewer units will remain to accumulate cash values under your Takaful Certificate.

e) Lapse of Takaful Certificate – The ILT Takaful Certificate will lapse when the value of investment units is insufficient to pay for the tabarru' and other charges.

f) For *IKHLAS* Individual Medical Secure Takaful Rider, the actual investment income from PRIA may fluctuate based on market conditions. As a result, the amount accumulated in the PRIA may rise above or fall below the total Takaful Contribution made into PRIA (possibly leading to early Takaful Certificate lapsation).

- g) For *IKHLAS* Individual Medical Secure Takaful Rider, Investment profit arising from PRIA, if any, shall be returned to the Takaful Participant (through PRIA) after deducting an Investment Performance Fee of 30% from the profit. However, the Company may at its discretion deduct less than 30% Investment Performance Fee from the profit.
- h) The Company will charge a Surplus Administration Charge (SAC) of 50% of the gross distributable surplus arising at the end of each Financial Year. The net distributable surplus arising (after deducting SAC) from the Risk Fund will be allocated in full (100%) to the Takaful Participant.
- i) It may not be advantageous to switch from one Takaful plan to another, as you may be subject to new underwriting requirements, full waiting period and any applicable period for the exclusion of specified illnesses or pre-existing conditions of the new Takaful Certificate.
- j) It is important for you to receive receipts and keep them as proof of payment of Takaful Contributions.
- k) If you do not receive the Takaful Certificate after fourteen (14) days from the date of participation, please contact us.
- l) Notification of claim must be given in writing to the Company within thirty (30) days after occurrence of any claim. The Company, upon receipt of notice of claim, will furnish to the claimant appropriate forms for filing proof of claim and shall notify the claimant of any other requirements. This shall not preclude the Company from requiring further documentation in respect of the loss as deemed fit by the Company. All such information and evidence must be furnished to the Company within ninety (90) days from the date of the events covered.

Note: This list is non-exhaustive. Please refer to the Takaful Certificate for the terms and conditions under this Takaful Certificate.

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

a) Exclusion on Death

Should the Person Covered, whether sane or insane commits suicide within one (1) year from the effective date, dies as a result of Acquired Immune Deficiency Syndrome (AIDS) or other sexually transmitted diseases, no Takaful benefit shall be payable.

The Company shall refund the accumulated amount from the Unit Fund (Value of Units at the Valuation Date on Date of Process) and the amount accumulated in the PIA / PRIA, inclusive of investment income from the PIA/ PRIA and net distributable surplus from the Risk Fund, if any, to the Person Covered's next of kin.

b) Other Major Exclusions (except for Death Benefit)

- i. War, invasion, act of foreign enemy, hostilities or war-like operations (whether war be declared or not) or civil war;
- ii. Mutiny, riot, military or popular rising, insurrection, rebellion, revolution, martial law or state of siege, any of the events or causes which determine the proclamation or maintenance of martial law or state of siege;
- iii. 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 threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of in connection with any organization(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government or organization and/or to put the public, or any section of public in fear;

- iv. Caused by or consequent upon suicide or attempted suicide or willful self injury or indulgence in alcohol;
- v. Disability sustained by the Person Covered whilst entering, operating or servicing, ascending or descending from or any other activities relating to and including sky diving, parachuting, bungee jumping, hang-gliding or ballooning or any other aerial device, contraption, conveyance except while the Person Covered is in an aircraft operated by a commercial passenger airline on a regular scheduled passenger trip over its established passenger route;
- vi. Disability arising prior to inception of coverage;
- vii. Any breach of the law by the Person Covered or any assault provoked by him;
- viii. Involvement in any underwater activity necessitating the use of artificial breathing apparatus;
- ix. Injury caused by nuclear fission, nuclear fusion, nuclear weapons material or radioactive contamination.

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?

Participating in a regular contribution ILT is a long-term financial commitment. It is not advisable to hold this Takaful Certificate for a short period of time in view of the high initial costs. If you find that the fund that you have chosen is no longer appropriate, you have the flexibility to switch funds. You are allowed five (5) switches per year without any fee charged. For additional switches, you may be charged a processing fee.

Takaful Participant may cancel the Takaful Certificate by giving a written notice to the Company. Upon cancellation, Takaful Participant is entitled to a certain amount of refund of the Takaful Contribution provided that Takaful Participant has not made 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 on Investment-Linked Takaful and/or Medical and Health Takaful, please refer to *insuranceinfo* booklet on 'Investment-Linked Takaful' and/or 'Medical and Health Takaful'. You can obtain a copy from our Takaful agent or visit www.insuranceinfo.com.my

If you have any enquiry, please contact us at:

Takaful Ikhlas Family Berhad

(Formerly known as Takaful Ikhlas Berhad)

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11) Other types of similar Takaful cover available

- NIL -

IMPORTANT NOTE:

THIS IS A TAKAFUL PRODUCT THAT IS TIED TO THE PERFORMANCE OF THE UNDERLYING ASSETS, AND IS NOT A PURE INVESTMENT PRODUCT SUCH AS UNIT TRUSTS. YOU MUST EVALUATE YOUR OPTIONS CAREFULLY AND SATISFY YOURSELF THAT THE INVESTMENT-LINKED PLAN CHOSEN MEET YOUR RISK APPETITE, AND THAT YOU CAN AFFORD THE TAKAFUL CONTRIBUTION THROUGHOUT THE TAKAFUL CERTIFICATE DURATION. TO INCREASE INVESTMENT VALUE AT ANY TIME, IT IS ADVISABLE THAT YOU PAY THE ADDITIONAL TAKAFUL CONTRIBUTIONS AS 'TOP UPS'. RETURN ON AN INVESTMENT-LINKED FUND IS NOT GUARANTEED.

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 TAKE REASONABLE CARE IN ANSWERING THE QUESTIONS MAY RESULT IN VOIDANCE 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.

IN ADDITION TO ANSWERING THE QUESTIONS IN THE PROPOSAL FORM (OR WHEN YOU APPLY FOR THIS TAKAFUL), YOU ARE REQUIRED TO DISCLOSE ANY OTHER MATTER THAT YOU KNOW TO BE RELEVANT TO OUR DECISION IN ACCEPTING THE RISKS AND DETERMINING THE RATES AND TERMS TO BE APPLIED.

YOU ALSO HAVE A DUTY TO TELL US IMMEDIATELY IF AT ANY TIME AFTER YOUR CONTRACT OF TAKAFUL HAS BEEN ENTERED INTO, VARIED OR RENEWED WITH US ANY OF THE INFORMATION PROVIDED IN THE PROPOSAL FORM (OR WHEN YOU APPLIED FOR THIS TAKAFUL) IS INACCURATE OR HAS CHANGED.

The information provided in this Product Disclosure Sheet is valid effective as at: 01/12/2018