

<p>PRODUCT DISCLOSURE SHEET</p> <p>(Read this Product Disclosure Sheet before you decide to participate in the “<i>IKHLASlink Secure Takaful</i>”. Be sure to also read the general terms and conditions).</p>	<p>TAKAFUL IKHLAS FAMILY BERHAD (Formerly known as Takaful Ikhlas Berhad)</p> <p>(Licensed under Islamic Financial Services Act 2013 and regulated by Bank Negara Malaysia)</p> <p>IKHLASlink Secure Takaful</p> <p>Date: 01/12/2018</p>
<p>1) What is this product about?</p> <p>This is a regular Takaful Contribution Investment-Linked Takaful Plan (ILP) that provides protection in the event of Death and Total and Permanent Disablement (TPD) of the Person Covered. The Takaful Participant has the option to invest in three (3) types of funds namely Growth Fund, Balanced Fund and Fixed Income Fund.</p> <p>In the event the Takaful Participant opts to attach any optional riders to the basic Takaful Certificate, no additional Takaful Contribution is required as the risk charge for the riders will be deducted from the unit value of the basic Takaful Certificate. The Takaful Participant may opt to attach the riders at any next Takaful Contribution due date.</p>	
<p>2) What are the Shariah concepts applicable?</p> <ul style="list-style-type: none"> • 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 (<i>muwakkil</i>) authorizes another party as his agent (<i>wakil</i>) to perform a particular task on matters that may be delegated, with or without imposition of a fee. In the context of the Company, we are appointed as an agent (<i>wakil</i>) to carry out the Takaful Business and Wakalah fee (<i>Ujrah</i>) to be paid to the Company. 	
<p>3) What are the covers / benefits provided?</p> <p>This plan covers:</p> <p>a) Natural Death or Total and Permanent Disablement (TPD)¹ : RM60,000.00</p> <p>b) Accidental Death or TPD : RM60,000.00</p> <p>c) Fund(s) chosen :</p> <ul style="list-style-type: none"> • Growth Fund : 0.0% • Blanced Fund : 0.0% • Fixed Income Fund : 100.0% <p>d) Maturity Benefit The Net Asset Value (NAV) of the unit funds and the accumulated surplus from its Risk Fund will be payable to the Takaful Participant upon maturity of the Takaful Certificate.</p> <p>e) Surrender Benefit The NAV of the unit funds and the accumulated surplus from its Risk Fund (after deducting the surrender fee of up to RM50) is payable to the Takaful Participant upon the surrender of the Takaful Certificate.</p>	

f) In Force Guarantee Benefit

The Takaful Certificate will remain in force continuously for the first three (3) years even though the Tabarru' charge is not sufficient due to market performance. However, this feature is only applicable subject to Takaful Contribution has been paid continuously and the shortfall is due to market price, which is not under Takaful Participant's control.

g) Top-up Option

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

- Minimum amount : RM500
- Maximum amount : No maximum limit amount

The top-up of Takaful Contributions will be used to purchase additional investment units and there is no increase in the basic Sum Covered.

h) Partial Cash Withdrawal

- Minimum amount : RM1,000
- Maximum amount : No maximum limit amount

Partial cash withdrawal is subject to a minimum aggregated balance of RM3,000 in all unit funds. Each withdrawal transaction is subject to a withdrawal fee of up to a maximum amount of RM50.

Note:

¹ TPD is based on "Own or Suited Occupation" and the benefit is payable subject to an elimination period of six (6) months, provided that:

- i. The TPD claim is confirmed.
- ii. The Takaful Contributions are not overdue.

The maximum amount of the TPD Sum Covered payable from all certificates written with the Company on the life of the same Person Covered shall not exceed RM1,500,000 for adult and RM 500,000 for child (age 16 years and below).

Reminder: Please read the marketing literature which includes product benefits and objectives of the ILP plan. 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	:	25	Years Old
Takaful Participant Age	:	45	Years Old
Occupation Class	:	1	
Term	:	10	Years
Sum Covered	:	RM60,000	
Total Yearly Takaful Contribution (RM)	:	<u>RM2,400.00</u>	

The Takaful Contribution will be allocated to the Takaful Participant's Unit Fund (UF).

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 Takaful agents and other expenses of the Takaful Operator. You are advised to refer to the allocation rates given in the Benefit Illustration.

The renewal of Takaful Contribution 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 the Takaful Certificate anniversary based on the emerging claims experience of the product. The Company shall give the Takaful Participant a three (3) month's written notice in the event of revision of the Takaful Contribution. 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 Person Covered and/or 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 - 9	10 & Above
Amount	1,440.00	1,440.00	1,200.00	480.00	480.00	240.00	0.00
% of Gross Annual Takaful Contribution	60.00%	60.00%	50.00%	20.00%	20.00%	10.00%	0.00%

- The Wakalah fee is inclusive of commission and management expenses.
- 5.25% Wakalah Fee will be charged for every top-up.

b) Commission

Years	1	2	3	4	5 - 6	7 - 9	10 & Above
Amount	960.00	960.00	600.00	480.00	420.00	0.00	0.00
% of Gross Annual Takaful Contribution	40.00%	40.00%	25.00%	20.00%	17.50%	0.00%	0.00%

- c) Tabarru' charges are deducted monthly from the Unit Fund. The Tabarru' charges will increase as the Person Covered and/or Takaful Participant grow older. Details of the Tabarru' charges and other charges for the ILP are given in the Benefit Illustration.
- d) Fund Management Fee
- Fixed Income Fund – 1% per annum of net asset value
 - Other funds – maximum of 1.5% per annum of net asset value
- e) Takaful Certificate Administration Fee of RM25 is charged for every ad-hoc top-up of Takaful Contribution.
- f) Switching Fee of 1% of amount switched is applicable on the sixth (6th) switching transaction onwards per Takaful Certificate year, subject to maximum of RM50 per switch.
- g) Takaful Certificate Administration Fee of RM72 per annum.

h) Partial Withdrawal Fee is as per below table, maximum of RM50 per withdrawal.

Year	Partial Withdrawal Fee (percentage of withdrawal amount)			
	1	2	3	Thereafter
Charges	3%	2%	1%	0%

i) Surrender Fee of RM50.

j) RM10 stamp duty is imposed for each Takaful Certificate.

Note: All charges, except for the fund management fee, are levied through deducting units from the investment funds.

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:

- 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;

less expenses which may have been incurred by the Company for the medical examination of the Person Covered.

c) If at the expiration of the Grace Period (30 days) and the payment of any Takaful Contribution is in default, then the Company reserves the right to advance (selling off the units from the selected funds) an “equivalent amount from the respective account” to pay for the Tabarru’ and the Takaful Certificate shall be continued “Inforce Under PIA” until the amount of Unit Fund is insufficient to pay for the Tabarru’ (selling off units in the selected funds). During this period the Takaful Certificate shall remain in force and if any Takaful Contribution remains unpaid after the Unit Fund amount become insufficient to be advanced any further, the Takaful Certificate shall lapse and have no further value.

d) Should death or TPD occur before the Person Covered reaches age five (5) at the next birthday, the amount payable will be as follows :

Age at Death/TPD (Next Birthday)	1 year	2 years	3 years	4 years	5 years & above
Percentage of Sum Covered Payable	20%	40%	60%	80%	100%

e) Unit Fund value – the Unit Fund value of the ILP depends on the performance of the ILP 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 the Takaful Certificate.

f) The actual investment income may fluctuate based on market conditions. As a result, the amount accumulated in the UF may rise above or fall below the total Takaful Contribution made into UF (possibly leading to early Takaful Certificate lapsation).

- g) Lapse of Takaful Certificate - the ILP Takaful Certificate will lapse when the value of investment units is insufficient to pay for the Tabarru' and other charges. The chances of lapse will increase if partial withdrawal is exercised.
- h) The Company will charge a Surplus Administration Charge (SAC) of 50% of gross distributable surplus declared at the end of each Financial Year. The net distributable surplus (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 of pre-existing conditions of the new Takaful Certificate.
- j) Notification of claim must be given to the Company within thirty (30) days after occurrence of any claim. The Company, upon receipt 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 events covered.
- k) It is important for you to receive receipts and keep them as proof of payment of Takaful Contributions.
- l) If you do not receive the Takaful Certificate after fourteen (14) days from the date of participation, please contact us (for standard cases only).

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

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

a) Exclusion on Death Benefit

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

The Company shall refund the accumulated amount from the UF (based on the value of units on the valuation date) 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. Cause by or consequent upon suicide or attempted suicide or willful self injury or indulgence in alcohol or narcotics or drugs or insanity or arising from venereal disease.
- 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.
- x. Acquired immune deficiency syndrome (AIDS) and any AIDS related conditions.

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 Takaful Contribution ILP plan is a long-term commitment and it is not advisable to hold the Takaful Certificate for a short period of time in view of the high initial costs. It may not be advantageous to cancel or surrender or replace an existing Takaful Certificate with a new one. You will lose all the benefits which you are entitled and the surrender value you will receive is less than the total Takaful Contribution you have paid.

If you find that the investment fund that you have chosen is no longer appropriate, you have the flexibility to switch funds. You are allowed five (5) free switches per certificate year without any fee charged. For additional switches, there will be charge of 1% of the amount switched subject to maximum of RM50 per switch.

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 (including that of the nominee) to ensure that all correspondences reach you and/or nominee in a timely manner.

10) Where can I get further information?

Should you require additional information on ILP Takaful, please refer to the *insuranceinfo* booklet on 'Investment-Linked 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

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11) Other types of similar Takaful cover available.

IKHLAS Premier Investment-Linked Takaful Plus

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