



ALLIED ISLAMIC WINDOW

Allied Building, Chandhanee Magu, Male', Rep. of Maldives
Phone: (960) 1600, Fax (960) 331 0300
Web site: www.ayady.mv, Email: info@ayady.mv

COMMERCIAL VESSELS THIRD PARTY LIABILITY (INCLUDING PASSENGER LIABILITY)

WHEREAS the Participant by an application and declaration which shall be the basis of this contract and is deemed to be incorporated herein has applied to the Takaful Operator for the Takaful hereinafter contained and with the payment of Takaful contribution by the Participant stated in the Schedule. The Takaful Operator will manage this Takaful Plan on the terms conditions and benefits as stated in this Certificate. No variations or changes to the terms of this Certificate shall come into force unless effected by an Endorsement.

NOW THIS CERTIFICATE WITNESSETH that in respect of covered event(s) occurring during the Period of Takaful and subject to the limitations exceptions conditions contained herein or endorsed hereon the Takaful Operator will indemnify the Participant in the proportions manner and to the extent hereinafter provided against loss or damage caused by any of the under-mentioned Perils.

THE CONTRIBUTION shall be distributed into two funds, 66% to Participant Risk Fund (PRF) as TABARRU (donation) and remaining 34% to Operator Fund as WAKALAH FEE (non-refundable). Takaful Operator's operational expenses shall be managed from WAKALAH FEE. And Underwriting Expenses (Claims & Re-Takaful) & Reserve shall be managed from the PRF.

THE MONEY in the Participants Risk Fund (PRF) shall be invested by the Takaful Operator, if the return rate from the investment exceeds 1.2%, the additional return or excess shall be retained and credited to the Takaful Operator under the principle of PERFORMANCE FEE (JUA'LAH).

IN THE EVENT of insufficient balance in the PRF to pay for the Takaful claims during the Period of Takaful the Takaful Operator shall make good the balance in the PRF under the principle of QARDHUL HASSAN (benevolent loan) provided that the insufficiency is not due to the Takaful Operator's negligence. If the insufficiency is due to the Takaful Operator's negligence the Takaful Operator will make an outright transfer for the insufficiency under the principle of WAKALAH (agent). It is further agreed that any future surplus arising from the PRF can be used to repay for the outstanding QARDHUL HASSAN in the PRF (if any) to the Takaful Operator.

IMPORTANT POINTS

This certificate should be read carefully. It gives full details of what is and is not covered and the conditions and exclusions of the cover. Failure to comply with them will prejudice a participant's claim.

UNDERTAKING TO DONATION

The contribution made by the participant shall donate to the Participant Risk fund gradually by retaining a certain amount as per provided table by the Takaful Operator. The fund set aside shall be treated as an undertaking to make donations.

Duration	Retention of Contribution (% of Total contribution to PRF)
0-30 days	66%
31-90 days	46%
91-150 days	36%
151-240 days	26%
Exceeding 240 days	0%

1. PARTICIPANT

The Participant includes, in addition to the Participant name in the certificate schedule, any person or organization permitted by the named Participant to operate the vessel named in the schedule.

2. COVERAGE

The Takaful Operator agree, subject to the limitations exclusions terms and conditions hereinafter mentioned, to indemnify the Participant for all sums including legal defense costs which they become legally liable to pay, for

- 2.1 loss of or damage to any other vessel or property whatsoever
- 2.2 death, personal injury or illness, including payments made for life salvage, caused on or near the vessel or any other vessel but only where such liability occurs by reason of the Participant's ownership or operation of vessel and occurs within the navigating limits and during the period of Takaful as stated in the schedule.

3. EXCLUSIONS

Notwithstanding anything contained herein to the contrary, this Takaful will not cover any liability

- 3.1 for death or personal injury or any claim arising directly or indirectly under Worker's Compensation or Employers' Liability Acts or any other statutory or common law liability in respect of death, bodily injury to or illness of any worker or other person employed in any capacity whatsoever by the Participant, when such death, bodily injury or illness arises out of or in the course of the employment of such worker or other person
- 3.2 for cargo liabilities (unless specially arranged)
- 3.3 for liabilities under towing contracts.
- 3.4 for water skiing, aquaplaning, parasailing or like activity or arising whilst the covered vessel is engaged in racing of any kind.
- 3.5 assumed under contract or otherwise in extension of the liability imposed upon the Participant by law.
- 3.6 for fines, penalties or punitive/ exemplary damages however described
- 3.7 arising from asbestos, whether directly or indirectly caused
- 3.8 willfully or intentionally caused or incurred
- 3.9 arising from any strike lock-out labor disturbance riot civil commotion or act of any person taking part in any such occurrence or from any terrorist or any person acting from a political motive
- 3.10 directly or indirectly occasioned by, happening through or in consequence of
 - 3.10.1 war civil war revolution rebellion insurrection or civil strife arising therefrom or any hostile act by or against a belligerent power
 - 3.10.2 capture seizure arrest restraint or detention (barratry and piracy excepted) and the consequence thereof or any attempt thereat
 - 3.10.3 Derelict mines torpedoes bombs or other derelict weapons of war
- 3.11 for destruction of or damage to property by or under the order of any government or public or local authority.

4. NUCLEAR EXCLUSION CLAUSE

In no case will this Takaful cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from

- 4.1 ionizing radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
- 4.2 the radioactive toxic explosive or other hazardous or contaminating properties of any nuclear installation, reactor, or other nuclear assembly or nuclear component thereof
- 4.3 any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

5. DEDUCTIBLE

Any claim recoverable under this Takaful will be subject to the deduction of the sum stated in the certificate schedule in respect of the Participant's ultimate net loss resulting from any one accident or series of accidents arising out of one occurrence.

6. LIMIT OF LIABILITY

The limit of liability under this Takaful in respect of any one accident or series of accidents arising out of one occurrence will be as stated in the certificate schedule including liability for costs and expenses which are either

- 6.1 incurred with the written consent of the Takaful Operator or
- 6.2 awarded against the Participant.

8. CONTRIBUTION

This Takaful is in consideration of the Contribution as stated in the certificate schedule.

9. NOTICE OF CLAIM

In the event of any occurrence which may result in a claim under this Takaful the Participant will give prompt written notice to the Takaful Operator and appropriate authorities, will forward every summons or process (or copies thereof) served upon the Participant and will keep Takaful Operator fully advised.

10. CLAIMS CONTROL

Takaful Operator will at any time be entitled (but not obliged) to control or take over the conduct of the investigation defense and settlement of any claim suit or proceeding against the Participant which is or is likely to be the subject of indemnity under this Takaful.

11. SUBROGATION

In the event of any claim being paid under this Takaful, Takaful Operator may take over the rights and remedies of the Participant against any third parties.

12. DUE DILIGENCE

It is the duty of the Participant and his agents at all times to take such measures as may be reasonable for the purposes of averting or minimizing a loss. The Participant will not admit liability, incur any expense nor give any waiver of subrogation without the express permission of Takaful Operator.

13. ASSIGNMENT

It is agreed that no assignment of or interest in this Takaful or in any moneys which may be or may become payable hereunder is to be binding on or recognized by the Takaful Operator unless a dated notice of such assignment or interest signed by the Participant, and by the assignor in the case of subsequent assignment, is endorsed on this Takaful and the Takaful with such endorsement is produced before payment of any claim or return of Contribution hereunder but nothing in this condition is to have effect as an agreement by Takaful Operator to a sale or transfer to a new management.

14. OTHER TAKAFULS/INSURANCES

In the event of an occurrence giving rise to a claim which is or but for the existence of this Takaful would be covered under any other indemnity or Takaful inuring to the benefit of the Participant, the Takaful cover afforded by this Takaful will be in excess of the amount which would be recoverable under such other indemnity or Takaful had this Takaful not been effected, but only to the extent that the excess amount is covered by this Takaful.

15. LAW & PRACTICE

Republic of Maldives

16. CANCELLATION

This certificate maybe cancelled by the Participant by serving at least fifteen (15) days' notice to Ayady Takaful, such notice to state when thereafter cancellation shall become effective. In such event, provided no claim has been made during the current certificate year, the Participant shall be entitled for a return of the Takaful Contribution calculated on below mentioned short-period basis in proportion to the period of the Takaful has been in force.

SHORT TERM TABLE	
PERIOD	CONTRIBUTION REFUND
0-30 days	66%
31-90 days	46%
91-150 days	36%
151-240 days	26%
Exceeding 240 days	0%

This certificate may be cancelled by Ayady Takaful by giving written notice of cancellation to the Participant at the business address shown therein, stating when, not less than seven (07) days thereafter, such cancellation shall become effective. Similarly, short-period refund of contribution will be made to the Participant for this cancellation.

17. SHARE OF NET SURPLUS

If at the end of the financial year, there is a net surplus in the Participant Risk Fund (PRF), the Takaful Operator may in its sole discretion share any amount which it may decide from the net surplus in the Participant Risk Fund (PRF) among the Participants provided always that the Participant has not incurred any claim and/or not received any benefits under this certificate whilst it in force. Furthermore, the participant will get share of surplus for the active day(s) of the certificate, falling into the year for which surplus is being calculated and the surplus share must be minimum MVR 100.