

CONSEQUENTIAL LOSS TAKAFUL

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.

1. 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% |

CONDITIONS

- If there be any material misdescription of the Business or Premises to which this Takaful refers or any misrepresentation as to any fact material to be known for estimating the risk, or any omission to state such fact, the Takaful Operator shall not be liable upon this Certificate.
- No payment in respect of any Contribution shall be deemed to be payment to the Takaful Operator unless a printed form of receipt for the same signed by an Official or duly appointed Agent of the Takaful Operator shall have been given to the Participant.
- The Participant shall give notice to the Takaful Operator of any Takaful or Insurance already effected, or which may subsequently be effected, covering any of the property hereby covered, and unless such notice be given and the particulars of such Takaful or insurance be stated in or endorsed on this Certificate by or on behalf of the Takaful Operator before the occurrence of any loss or damage, all benefit under this Certificate shall be forfeited.
- Immediately upon any fall or displacement
 - Of any building Damage to which might give rise to a claim under this Certificate.
 - Of any part of such building
 - Of the whole or any part of any range of buildings or of any structure of which such building forms part.

The coverage under this Certificate shall cease in respect of loss resulting from damage to such building or property therein PROVIDED THAT;

A) Such fall or displacement is the whole or a substantial or important part of such building or impairs the usefulness of such building or any part thereof or leaves such building or any part thereof or any property contained therein subject to increased risk of damage or is otherwise material.

B) Such fall or displacement is not caused by damage, loss resulting from which is covered by this Certificate or would be covered if such building, range of buildings or structure were included in the premises to which this Certificate refers

If any claim be made upon this Certificate in consequence of Damage whether occurring before, during or after such fall or displacement the Participant shall produce such proof as may reasonably be required that the loss was not, either in origin or in extent, directly or indirectly, proximately or remotely, occasioned by or contributed to by any such fall or displacement and did not either in origin or extent, directly or indirectly, proximately or remotely, arise out of or in connection with any such fall or displacement.

In any action, suit or other proceeding, the burden of proving that any fall or displacement is caused by damage shall be upon the Participant.

5. This Takaful does not cover loss occasioned by or happening through or in consequence of:
- 5.1 The burning of property by order of any Public Authority
 - 5.2 Subterranean fire
 - 5.3 Explosion except as stated on the face of this Certificate
 - 5.4 The burning, whether accidental or otherwise, of forest, bush, prairie, pampas or jungle and the clearing of lands by fire.
 - 5.5 Damage to property occasioned by its own fermentation, natural heating or spontaneous combustion or by its undergoing any heating or drying process.
 - 5.6 Loss or damage directly or indirectly caused by or arising from or in consequence of or contributed to by nuclear weapons material.
 - 5.7 Loss or damage directly or indirectly caused by or arising from or in consequence of or contributed to by ionizing 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 Condition 5 (7) only, combustion shall include any self-sustaining process of nuclear fission.

6. This Takaful does not cover any loss resulting from Damage occasioned by or through or in consequence, directly or indirectly, of any of the following occurrences, namely:-
- 6.1. Earthquake, volcanic eruption or other convulsion of nature.
 - 6.2. Typhoon, hurricane, tornado, cyclone or other atmospheric disturbance.
 - 6.3. War, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not), civil war.
 - 6.4. Mutiny, riot, military or popular rising, insurrection, rebellion, revolution, military or usurped power, martial law or state of siege or any of the events or causes which determine the proclamation or maintenance of martial law or state of siege.

Any loss resulting from 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 occurrences shall be deemed to be loss which is not covered by this Takaful. Except to the extent that the Participant shall prove that such damage happened independently of the existence of such abnormal conditions.

In any action, suit or other proceeding where the Takaful Operator alleges that by reason of the provision of this condition any loss is not covered by this Takaful, the burden of proving that such loss is covered shall be upon the Participant.

7. The Takaful by this Certificate shall cease if:
- 7.1 The business be wound up or carried on by a Liquidator or Receiver or permanently discontinued or
 - 7.2 The Participant's interest cease otherwise than by death or
 - 7.3 Any alterations be made either in the business or in the Premises or property therein whereby the risk of damage is increased at any time after the commencement of this Takaful, unless its continuance be admitted by memorandum signed by or on behalf of the Takaful Operator.
8. Notice shall be given to the Takaful Operator and, if required, an additional contribution paid, if the rate of the contribution payable in respect of the Takaful covering the interest of the Participant in the property at the premises against damage shall be increased.
9. 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 also be cancelled by Ayady Takaful by sending seven days' notice by registered letter to the Participant at the participant's last known address, in which case Ayady Takaful shall be liable to repay on demand a rate-able proportion of the contribution for the unexpired term from the date of cancellation.

10. On the happening of any Damage in consequence of which a claim is or may be made under this Certificate, the Participant shall forthwith give notice thereof to the Takaful Operator and shall with due diligence do and concur in doing and permit to be done all things which may be reasonably practicable to minimize or check any interruption of or interference with the Business or to avoid or diminish the loss, and in the event of a claim being made under this Certificate shall, not later than thirty days after the expiry of the Indemnity Period or within such further time as the Takaful Operator may in writing allow, at his own expense deliver to the Takaful Operator in writing a statement setting forth particulars of his claim, together with the details of all other
11. Takaful (if any) covering the Damage or any part of it or consequential loss of any kind resulting therefrom. The Participant shall at his own expense produce, procure and give to the Takaful Operator such books of account and other business books, vouchers, invoices, balance sheets and other documents, proofs, information, explanation and other evidence as may reasonably be required by or on behalf of the Takaful Operator for the purpose of investigating or verifying the claim together with a declaration on oath or in other legal form of the truth of the claim and of any matters connected therewith. No claim under this Certificate shall be payable unless the terms of this Condition have been complied with and in the event of noncompliance therewith in any respect, any payment on account of the claim already made shall be repaid to the Takaful Operator forthwith.
12. If the claim be in any respect fraudulent, or if any false declaration be made or used in support thereof, or if any fraudulent means or devices are used by the Participant or any one acting on his behalf to obtain any benefit under this Certificate, or if the Damage be occasioned by the willful act, or with the connivance of the Participant, or, if the claim be made rejected and an action or suit be not commenced within three months after such rejection, or (in case of an arbitration taking place in pursuance of the 14th Condition of this Certificate) within three months after the Arbitrator or Arbitrators or Umpire shall have made their award, all benefit under this Certificate shall be forfeited.
13. If at the time of any loss under this Certificate there be any other subsisting Takaful or Insurance, whether effected by the Participant or by any other person or persons, covering such loss or any part of it the Takaful Operator shall not be liable to pay or contribute hereunder more than their ratable proportion of such loss.
14. The Participant shall, at the expense of the Takaful Operator do and concur in doing, and permit to be done, all such acts and things as may be necessary or reasonably required by the Takaful Operator for the purpose of enforcing any rights and remedies, or of obtaining relief or indemnity from other parties to which the Takaful Operator shall be or would become entitled or subrogated, upon its paying for any loss under this Certificate, whether such acts and things shall be or become necessary or required before or after his indemnification by the Takaful Operator.
15. If any difference arises as to the amount of any loss such difference shall independently of all other questions 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 disinterested persons as Arbitrators, of whom one shall be appointed in writing by each of the parties within two calendar months after having been required to do so in writing by the other party. In case either party shall refuse or fail to appoint an Arbitrator within two calendar months after receipt of notice in writing requiring an appointment, the other party shall be at liberty to appoint a sole Arbitrator, and in case of disagreement between the Arbitrators, the difference shall be referred to the decision of an Umpire who shall have been appointed by them in writing before entering on the reference and who shall sit with the Arbitrators and preside at their Meetings. The death of any party shall not revoke or affect the authority or powers of the Arbitrator, Arbitrators or Umpire respectively, and in the event of the death of an Arbitrator or Umpire, another shall in each case be appointed in his stead by the party or Arbitrators (as the case may be) by whom the Arbitrator or Umpire so dying was appointed. The costs of the reference and of the award shall be in the discretion of the Arbitrator, Arbitrators or Umpire making the award. And it is hereby expressly stipulated and declared that it shall be a condition precedent to any right of action or suit upon this Certificate that the award by such Arbitrator, Arbitrators or Umpire of the amount of the loss if disputed shall be first obtained.
16. In no case whatever shall the Takaful Operator be liable in respect of any claim under this Certificate after the expiration of
 - (a) one year from the end of the Indemnity Period or, if later,
 - (b) three months from the date on which payment shall have been made or liability admitted by the Takaful Operator covering the Damage giving rise to the said claim unless the claim is the subject of pending action or arbitration.
17. This Certificate, Schedule and the Specification annexed (which form an integral part of this Certificate) shall be read together as one contract and words and expressions to which specific meanings have been attached in any part of this Certificate, Schedule or Specification shall bear such specific meanings wherever they may appear.
18. Every notice and other communication to the Takaful Operator required by these Conditions must be written or printed.
19. 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 is 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.