

ELECTRONIC EQUIPMENT 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.

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%

This Certificate Wording shall apply whether the covered items are at work or at rest, or being dismantled for the purpose of cleaning or overhauling, or in the course of the aforesaid operations themselves, or in the course of subsequent re-erection, but in any case only after successful commissioning.

EXCLUSIONS

The Takaful Operators shall not indemnify the Participant in respect of loss or damage directly or indirectly caused by, arising out of aggravated by:

- War, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, mutiny, riot, strike, lock-out, civil commotion, military or usurped power, a group of malicious persons or persons acting on behalf of or in connection with any political organization, conspiracy, confiscation, commandeering, requisition or destruction or damage by order of any government de jure or de facto or by any public authority,
- Nuclear reaction, nuclear radiation or radioactive contamination,
- Willful act or willful negligence of the Participant or his representatives,

In Any action, suit or other proceeding where the Takaful Operators allege that , by reason of the provisions of Exclusion 1 above, any loss, destruction or damage is not covered by this Certificate, the burden of proving that such loss, destruction or damage is covered shall be upon the Participant.

GENERAL CONDITIONS

1. The due observance and fulfillment of the terms of this Certificate Wording in so far as they relate to anything to be done or complied with by the Participant and the truth of the statements and answers in the questionnaire and proposal made by the Participant shall be a condition precedent to any liability of the Takaful Operator.
2. The Schedule and the Sections shall be deemed to be incorporated in and form part of this Certificate Wording and the expression "this Certificate Wording", wherever used in this contract, shall be read as including the Schedule and Sections. Any word or expression to which a specific meaning has been attached in any part of this Certificate Wording or of the Schedule or of the Sections shall bear such meaning wherever it may appear.
3. The Participant shall at his own expense take all reasonable precautions and comply with all reasonable recommendations of the Takaful Operator to prevent loss or damage and comply with statutory requirements and manufacturers' recommendations.
4. a) Representatives of the Takaful Operator shall at any reasonable time have the right to inspect and examine the risk and the Participant shall provide the representatives of the Takaful Operator with all details and information necessary for the assessment of the risk.
b) The Participant shall immediately notify the Takaful Operator in writing of any material change in the risk and cause at his own expense such additional precautions to be taken as circumstances may require, and the scope of cover and/or premium shall, if necessary, be adjusted accordingly.
No material alteration shall be made or admitted by the Participant whereby the risk is increased, unless the continuance of the Takaful is confirmed in writing by the Takaful Operator.
5. In the event of any occurrence which might give rise to a claim under this Certificate, the Participant shall
 - a) Immediately notify the Takaful Operator by telephone as well as in writing, giving an indication as to the nature and extent of the loss or damage;
 - b) Take all reasonable steps within his power to minimize the extent of the loss or damage;
 - c) Preserve the parts affected and make them available for inspection by a representative or surveyor of the Takaful Operator;
 - d) Furnish all such information and documentary evidence as the Takaful Operator may require;
 - e) Inform the police authorities in the case of loss or damage due to burglary.

The Takaful Operator shall on no account be liable for loss or damage of which no notice has been received by the Takaful Operator within 14 days of its occurrence. Upon notification being given to the Takaful Operator under this condition, the Participant may carry out repairs of any minor damage or replace items which have sustained any minor damage; in all other cases a representative of the Takaful Operator shall have the opportunity of inspecting the loss or damage before any repairs or alterations are effected. If a representative of the Takaful Operator does not carry out the inspection within a period of time which could be considered adequate under the circumstances, the Participant shall be entitled to proceed with the repairs or replacement. The Liability of the Takaful Operators under this certificate in respect of any covered item shall cease if said item is kept in operation after a claim without being repaired to the satisfaction of the Takaful Operators, or if temporary repairs are carried out without the Takaful Operator's consent.

6. 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 required by the Takaful Operator in the interest of any right or remedies, or of obtaining relief or indemnity from parties (other than those Participant under this Certificate Wording) to which the Takaful Operator are or would become entitled or which is or would be subrogated to them upon their paying for or making good any loss or damage under this Certificate Wording, whether such acts and things are or become necessary or required before or after the Participant's indemnification by the Takaful Operator.
7. If any difference arises as to the amount to be paid under this Certificate Wording (liability being otherwise admitted), such difference 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 to be appointed in writing by the arbitrators before the latter enter upon the reference. The umpire shall sit with the arbitrators and preside at their meetings. The making of an award shall be a condition precedent to any right of action against the Takaful Operator.
8. a) If the application or declaration of the Participant is untrue in any material respect, or if any claim made is fraudulent or substantially exaggerated, or if any false declaration or statement is made in support thereof, then this Certificate Wording shall be void and the Takaful Operator shall not be liable to make any payment hereunder.
b) In the event of the Takaful Operator disclaiming liability in respect of any claim and if an action or suit is not commenced within three months after such disclaimer or (in the case of arbitration taking place in pursuance of Condition 7 of this Certificate Wording) within three months after the arbitrators or umpire have made their award, all benefit under this Certificate Wording in respect of such claim shall be forfeited.
9. If at the time any claim arises under this Certificate Wording there is any other insurance/Takaful covering the same loss or damage, the Takaful Operator shall not be liable to pay or contribute more than their ratable proportion of any claim for such loss or damage
10. This Certificate Wording 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 Wording 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 less any reasonable inspection charges the Takaful Operator's may have incurred and less any long term discount on contribution granted.

11. Under an insurance/Takaful for a third party's account the Beneficiary shall be entitled to exercise, in his own name, the rights of the Participant. Without obtaining the Participant's approval the Beneficiary shall further have the right to receive any indemnity under this certificate and to transfer the Participant's rights even if the Beneficiary is not in possession of this certificate. Upon payment of an indemnity the Takaful Operators may require evidence of the Beneficiary having given his consent to the insurance/Takaful and of the Participant having given his consent to the receipt of an indemnity by the Beneficiary.
12. The indemnity shall be payable one month after determination by the Takaful Operators of the full amount due. Notwithstanding the above, the Participant may, one month after the Takaful Operators have been duly notified of the loss and have acknowledged their liability, claim as an instalment the minimum amount payable under the prevailing circumstances. The running of the periods shall be suspended for the time during which the indemnity is unascertainable or not payable due to reasons within the Participant's control.
13. The Takaful Operators shall be entitled to withhold indemnification:
 - a) if there are doubts regarding the Participant's right to receive the indemnity, pending receipt by the Takaful Operators of the necessary proof.
 - b) if in connection with the claim an examination by the police or an inquiry under criminal law has been instituted against the Participant, pending completion of such examination or inquiry.
14. 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.

SECTION 1 – MATERIAL DAMAGE

Scope of Cover

The Takaful Operator hereby agree with the Participant that if at any time during the period of Takaful stated in the schedule or during any subsequent period for which the Participant pays and the Takaful Operators may accept the contribution for the renewal of this Certificate, the items or any part thereof entered in the schedule suffer any unforeseen and sudden physical loss or damage from any cause other than those specifically excluded, in a manner necessitating repair or replacement, the Takaful Operators will indemnify the Participant in respect of such loss or damage, as hereinafter provided, by payment in cash, replacement or repair (at the Insurers' option) up to an amount not exceeding in any one year of Takaful in respect of each of the items specified in the schedule the sum set opposite thereto and not exceeding in all the total sum expressed in the schedule as covered hereby.

Special Exclusion to Section 1

The Takaful Operators shall not, however, be liable for:

- a) the deductible stated in the schedule to be borne by the Participant in any one occurrence; if more than one item is lost or damaged in one occurrence, the Participant shall not, however, be called upon to bear more than the highest single deductible applicable to such items
- b) loss or damage directly or indirectly caused by or arising out of earthquake, volcanic eruption, tsunami, hurricane, cyclone or typhoon
- c) loss or damage directly or indirectly caused by theft
- d) loss or damage caused by any faults or defects existing at the time of commencement of this Certificate within the knowledge of the Participant or his representatives, whether such faults or defects were known to the Takaful Operators or not
- e) loss or damage directly or indirectly caused by the failure or interruption of any gas, water or electricity service or supply;
- f) loss or damage as a direct consequence of the continual influence of operation (e.g. wear and tear, cavitation, erosion, corrosion, incrustation) or of gradual deterioration due to atmospheric conditions
- g) any costs incurred in connection with the elimination of functional failures, unless such failures were caused by an indemnifiable loss of or damage to the insured items
- h) any costs incurred in connection with the maintenance of the covered items, such exclusion also applying to parts exchanged in the course of such maintenance operations
- i) loss or damage for which manufacturer or supplier of the covered items is responsible either by law or under contract
- j) loss or damage to rented or hired equipment for which the owner is responsible either by law or under a lease and/or maintenance agreement
- k) consequential loss or liability of any kind or description
- l) loss of or damage to bulbs, valves, tubes, ribbons, fuses, seals, belts, wires, chains, rubber tires, exchangeable tools, engraved cylinders, objects made of glass, porcelain or ceramics, sieves or fabrics, or any operating media (e.g. lubrication oil, fuel, chemicals)
- m) Aesthetic defects, such as scratches on painted, polished or enameled surfaces. In respect of the parts mentioned under l) and m) above, the Takaful Operators shall be liable to provide compensation in the event that such parts are affected by an indemnifiable loss of or damage to the covered items.

Provisions Applying to Section 1

Memo 1 - Sum Covered

It shall be a requirement of this Takaful that the sum covered is equal to the cost of replacement of the covered items by new items of the same kind and capacity, which means their cost of replacement including, e.g. freight, customs duties and dues, if any, and cost of erection. If the sum covered is less than the amount required to be covered, the Takaful Operator shall pay only in such proportion as the sum covered bears to the amount required to be covered. Every item if more than one shall be subject to this condition separately.

Memo 2 - Basis Indemnity

- a) In cases where damage to a covered item can be repaired - the Takaful Operator shall pay expenses necessarily incurred to restore the damaged item to its former state of serviceability plus the cost of dismantling and re-erection incurred for the purpose of effecting the repairs as well as ordinary freight to and from a repair-shop, customs duties and dues, if any, to the extent such expenses have been included in the sum covered. If the repairs are executed at a workshop owned by the Participant, the Takaful Operator shall pay the cost of materials and wages incurred for the

purpose of the repairs plus a reasonable percentage to cover overhead charges. No deduction shall be made for depreciation in respect of parts replaced, but the value of any salvage shall be taken into account.

If the cost of repairs as detailed hereinabove equals or exceeds the actual value of the covered item immediately before the occurrence of the damage, the item shall be regarded as destroyed and settlement shall be made on the basis provided for in (b) below.

- b) In cases where a covered item is destroyed - the Takaful Operator shall pay the actual value of the item immediately before the occurrence of the loss, including charges for ordinary freight, cost of erection, customs duties, if any, provided such expenses have been included in the sum covered, such actual value to be calculated by deducting proper depreciation from the replacement value of the item. The Takaful Operators shall also pay any normal charges for dismantling of the item destroyed, but the value of any salvage shall be taken into account. The destroyed items shall no longer be covered under this certificate, and all necessary data on the relevant substitute item shall be indicated for its inclusion in the schedule.

(The Takaful Operators may agree - by application of the relevant endorsement - to extend this Takaful to cover reimbursement of the full replacement value.)

As from the date of an indemnifiable occurrence the sum covered shall be reduced for the remaining period of Takaful by the amount of indemnity paid, unless the sum covered is reinstated.

Any extra charges incurred for overtime, night work, and work on public holidays, and express freight shall be covered by this Certificate Wording only if especially agreed in writing.

The cost of any alterations, additions, improvements or overhauls shall not be recoverable under this Certificate Wording.

The cost of any provisional repairs shall be borne by the Takaful Operator if such repairs constitute part of the final repairs and do not increase the total cost of repair.

The Takaful Operators shall make payments only after being satisfied by production of the necessary bills and documents that the repairs have been effected or replacement has taken place, as the case may be.

SECTION 2 – EXTERNAL DATA MEDIA

Scope of Cover

The Takaful Operators hereby agree with the Participant that if the external data media entered in the schedule inclusive of the information stored thereon, which can be directly processed in EDP systems, suffer any material damage indemnifiable under Section 1 of this Contract, the Takaful Operators will indemnify the Participant, as hereinafter provided, in respect of such loss or damage up to an amount not exceeding in any one year of Takaful in respect of each of the data media specified in the schedule the sum set opposite thereto and not exceeding in all the total sum covered hereby, provided always that such loss or damage occurs during the period of Takaful stated in the schedule or during any subsequent period for which the Participant pays the Takaful Operators may accept the contribution for the renewal of this Certificate. This cover applies while the insured data media are kept on the premises.

Special Exclusions to Section 2

The Takaful Operators shall, however, not be liable for

- a) the deductible stated in the schedule to be borne by the Participant in any one occurrence
- b) any costs arising from false programming, punching, labelling or inserting, inadvertent cancelling of information or discarding of data media, and from loss of information caused by magnetic fields
- c) consequential loss of any kind or description whatsoever

Provisions Applying to Section 2

Memo 1 - Sum Covered

It shall be a requirement of this Takaful that the sum covered is the amount required for restoring the covered external data media by replacing lost or damaged data media by new material and reproducing lost information

Memo 2 - Basis of Indemnity

The Takaful Operators shall indemnify any expenses that can be proved to have been incurred by the Participant within a period of 12 months as from the date of the occurrence strictly for the purpose of restoring the covered external data media to a condition equivalent to that existing prior to the occurrence and necessary for permitting data processing operations be continued in the normal manner.

If it is not necessary to reproduce lost data or information, or if such reproduction is not effected within 12 months after the occurrence, the Takaful Operators shall only be liable to indemnify the expenses incurred for replacing the lost or damaged data media themselves by new material.

As from the date of an indemnifiable occurrence the sum covered shall be reduced for the remaining period of Takaful by the amount of indemnity paid, unless the sum covered is reinstated.

SECTION 3 - INCREASED COST OF WORKING

Scope of Cover

The Takaful Operators hereby agree with the Participant that if material damage indemnifiable under Section 1 of this contract gives rise to a total or partial interruption of operation of the EDP equipment entered in the schedule, the Takaful Operators will indemnify the Participant, as hereinafter provided, for any additional expenditure incurred for the use of substitute EDP equipment not covered under this certificate up to an amount not exceeding the agreed indemnification per day and not exceeding in all the sum covered in any one year of Takaful, provided always that such interruption occurs during the period of Takaful stated in the schedule or during any subsequent period for which the Participant pays and the Takaful Operators may accept the contribution for the renewal of this certificate.

Special Exclusions to Section 3

The Takaful Operators shall, however, not be liable for any additional expenditure incurred as a result of

- a) restrictions imposed by public authorities concerning the reconstruction or operation of the EDP equipment covered;
- b) the necessary funds not being available to the Participant in time for repairing or replacing damaged or destroyed equipment.

Provisions Applying to Section 3

Memo 1 - Sum Covered

It shall be a requirement of this Takaful that the sum covered stated in the schedule is the amount which the Participant would have to pay as additional expenditure for 12 months' use of substitute EDP equipment of similar performance to the EDP equipment covered. The sum covered shall be based on the amounts agreed per day and per month as specified in the schedule.

The Takaful Operators shall also reimburse the Participant for personnel expenses and costs for transportation of materials following upon any event giving rise to a claim under this section, provided separate sum therefore have been entered in the schedule.

Memo 2 - Basis of Indemnity

In the event of failure of the EDP equipment covered the Takaful Operators shall be liable for the additional expenditure that can be proved to have been incurred for the period during which the use of substitute EDP equipment is essential, but at the most for the indemnity period agreed. The indemnity period shall commence as soon as the substitute equipment is put into use. The Participant shall bear that proportion of each claim which corresponds to the time excess agreed. If it is found following an interruption of the operation of the EDP equipment covered that the additional expenditure incurred during the period of interruption is higher than the proportionate share of the annual sum covered which is applicable to this period, the Takaful Operators shall only be liable to indemnify the Participant in respect of the proportion of the agreed annual sum covered which is applicable to the period of interruption, duly taking into account the indemnity period agreed. Any savings in costs shall be taken into account when calculating the indemnity amount to be paid by the Takaful Operators. As from the date of an indemnifiable occurrence the sum covered shall be reduced for the remaining period of Takaful by the amount of indemnity paid, unless the sum covered is reinstated.

