

ERECTION ALL RISK 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%

2. 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:

- 2.1. 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,
- 2.2. Nuclear reaction, nuclear radiation or radioactive contamination,
- 2.3. Willful act or willful negligence of the Participant or his representatives,
- 2.4. Cessation of work whether total or partial,

In Any action, suit or other proceeding where the Takaful Operators allege that , by reason of the provisions of Exclusion 2.1 above, any loss, destruction or damage is not covered by this contract, the burden of proving that such loss, destruction or damage is covered shall be upon the Participant.

3. PERIOD OF COVER

The liability of the Takaful Operators shall commence notwithstanding any date to the contrary specified in the Schedule, directly upon commencement of the work or after the unloading of the items entered in the Schedule at the site and shall continue until immediately after taking over or after the first test operation or test loading is completed whatever is the earlier, but not beyond four weeks (unless otherwise agreed in writing) from the date of commencement of the test. If, however, a part of a plant or one or several machine(s) is/are tested and/or put into operation or taken over, the cover for that particular part of the plant or machine(s) and any liability resulting therefrom ceases whereas the cover continues for the remaining parts.

In the case of second-hand items, the Takaful hereunder shall, however, cease immediately on the commencement of the test.

At the latest the Takaful shall expire on the date specified in the Schedule. Any extensions of the Period of Takaful are subject to the prior written consent of the Takaful Operators.

4. GENERAL CONDITIONS

- 4.1. 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.
- 4.2. The Schedule and the Section(s) 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.
- 4.3. 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.
- 4.4. (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 contribution 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.

- 4.5. In the event of any occurrence which might give rise to a claim under this Certificate Wording, 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 contract in respect of any covered item shall cease if said item is not repaired properly without delay.

- 4.6. 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.
- 4.7. 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.
- 4.8. If a claim is in any respect fraudulent, or if any false declaration is made or used in support thereof, or if any fraudulent means or devices are used by the Participant or anyone acting on his behalf to obtain any benefit under this contract, or if a claim is made and rejected and no actions or suit is commenced with three months after such rejection or, in case of arbitration taking place as provided herein, within three months after the Arbitrator or Arbitrators or Umpire have made their award, all benefit under this contract shall be forfeited.
- 4.9. If at the time any claim arises under this Certificate 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, damage or liability.
- 4.10. 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 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.

4.11 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.

5. 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 contract, 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 Takaful Operators 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.

The Takaful Operators will also reimburse the Participant for the cost of clearance of debris following upon any event giving rise to a claim under this contract provided a separate sum therefor has been entered in the Schedule.

Special Exclusion to Section 1

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

- the deductible stated in the schedule to be borne by the Participant in any one occurrence
- consequential loss or liability of any kind or description whatsoever including penalties, losses due to delay, lack of performance, loss of contract;
- loss of damage due to faulty design, defective material or casting, bad workmanship other than faults in erection;
- wear and tear, corrosion, oxidation, incrustation
- loss of or damage to files, drawings, accounts, bills, currency, stamps, deeds, evidences of debt, notes, securities, cheques, packing materials such as cases, boxes, crates.
- Loss discovered only at the time of taking an inventory.

Provisions Applying to Section

Memo 1 - Sum Covered

It is a requirement of this Takaful that the sums covered stated in the Schedule (under terms 1 and 2) shall not be less than the full value of each item at the completion of the erection, inclusive of freight, customs duties, dues, erection cost, and the Participant undertakes to increase or decrease the amounts of Takaful in the event of any material fluctuation in the level of wages of prices.

Provided, always that such increase or decrease shall take effect only after the same has been recorded on the schedule by the Takaful Operator. If, in the event of loss or damage, it is found that the sums covered are less than the amounts required to be covered, then the amount recoverable by the Participant under this contract shall be reduced in such proportion as the sums covered bear to the amounts required to be covered. Every object and cost item is the subject to this condition separately.

Memo 2 - Basis of Loss Settlement

In the event of any loss or damage the basis of any settlement under this contract shall be:

- in the case of damage which can be repaired the cost of repairs necessary to restore the items to their condition immediately before the occurrence if the damage less salvage, or
- in the case of a total loss - the actual value of items immediately before the occurrence of the loss less salvage.

However, only to the extent the costs claimed had to be borne by the Participant and to the extent they are included, in the sums covered and provided always that the provisions and conditions have been complied with.

The Takaful Operators will make payments only after being satisfied by production of the necessary bills and documents that the repairs have been affected or replacement has taken place, as the case may be. All damage which can be repaired shall be repaired, but if the cost of repairing any damage equals or exceeds the value of the items immediately before the occurrence of the damage, the settlement shall be made on the basis provided for in b) above.

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

The cost of any alternations, additions and/or improvements shall not be recoverable under this contract.

Memo 3 - Extension of Cover: Extra changes for overtime, night work, work in public holidays, express freight are covered by this Takaful only if previously and specially agreed upon in writing.

Memo 4 - Surrounding Property: Loss of or damage to property located on or adjacent to the site and belonging to or held in care, custody or control of the principal(s) or the Contractor(s) shall only be covered if occurring in direct connection with the erection, construction or testing if the items covered under Section I and happening during the Period of Cover, and provided that a separate sum therefor has been entered in the Schedule under Section I, item 4. This cover does not apply to construction/erection machinery and construction/erection plant and equipment.

SECTION 2 – THIRD PARTY LIABILITY

The Takaful Operators will indemnify the Participant up to but not exceeding the amounts specified in the Schedule against such sums which the Participant shall become legally liable to pay as damages consequent upon

- (a) accidental bodily injury to or illness of third parties (weather fatal or not)
- (b) accidental loss of or damage to property belonging to third parties

Occurring in direct connection with the erection, construction or testing of the item covered under Section I and happening on or in the immediate vicinity of the site during the Period of Cover. In respect of a claim for compensation to which the indemnity provided herein applies, the Takaful Operators will in addition indemnify the Participant against

- (a) all costs and expenses of litigation recovered by any claimant from the Participant, and
- (b) all costs and expenses incurred with the written consent of the Takaful Operators.

provided always that the liability of the Takaful Operators under this section shall not exceed the limits of indemnity stated in the Schedule.

Special Exclusions to Section 2

The Takaful Operators will not indemnify the Participant in respect of

1. the deductible stated in the Schedule to be borne by the Participant in any one occurrence;
2. expenditure incurred in doing or redoing or making good or repairing or replacing anything covered or coverable under Section I of this contract;
3. Liability consequent upon
 - (a) bodily injury to or illness of employees or workmen of the Contractor(s) or the Principal(s) or any other firm connected with the project which or part of which is covered under Section I, or members of their families;
 - (b) loss of or damage to property belonging to or held in care, custody or control of the Contractor(s), the Principal(s) or any other firm connected with the project which or part of which is covered under Section I, or an employee or workman of one of the aforesaid;
 - (c) any accident caused by vehicles licensed for general road use or by waterborne vessels or aircraft;
 - (d) Any agreement by the Participant to pay any sum by way of indemnity of otherwise unless such liability would have attached also in the absence of such agreement.

Special Conditions Applying to Section 2

1. No admission, offer, promise, payment or indemnity shall be made or given by or on behalf of the Participant without the written consent of the Takaful Operators who shall be entitled, if they so desire, to take over and conduct in the name of the Participant the defence or settlement of any claim or to prosecute for their own benefit in the name of the Participant any claim for indemnity or damages or otherwise and shall have full discretion in the conduct of any proceedings or in the settlement of any claim and the Participant shall give all such information and assistance as the Takaful Operators may require.
2. The Takaful Operators may so far as any accident is concerned pay to the Participant the limit of indemnity for anyone accident (but deducting therefrom in such case any sum or sums already paid as compensation in respect thereof) or any lesser sum for which the claim or claims arising from such accident can be settled and the Takaful Operators shall thereafter be under no further liability in respect of such accident under this section.