



**AYADY
TAKAFUL**

ALLIED ISLAMIC WINDOW

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PLANT, MACHINERY & 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.

The Takaful Operator shall not be liable for:

- 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;
- Loss or damage due to electrical or mechanical breakdown, failure, breakage or derangement, freezing of coolant or other fluid, defective lubrication or lack of oil or coolant, but if as a consequence of such breakdown or derangement an accident occurs causing external damage, such consequential damage shall be indemnifiable.
- loss of or damage to replaceable parts and attachments such as bits, drills, knives or other cutting edges, saw blades, dies, moulds, patterns, pulverizing and crushing surfaces, screens and sieves, ropes, belts, chains, elevator and conveyer bands, batteries, tyres, connecting wires and cables, flexible pipes, jointing and packing material regularly replaced;
- loss or damage due to explosion of any boiler or pressure vessel subject to internal steam or fluid pressure or of any internal combustion engine;

- (e) loss of or damage to vehicles designed and licensed for general road use unless these vehicles are generally used on construction sites;
- (f) Loss of or damage to waterborne vessels or craft;
- (g) Loss or damage whilst in transit unless otherwise agreed by endorsement;
- (h) Loss or damage as a direct consequence of the continual influence of operation (eg wear and tear, corrosion, rust, deterioration due to lack of use and normal atmospheric conditions);
- (i) loss or damage occurring whilst any covered item is undergoing a test of any kind or is being used in any manner or for any purpose other than that for which it was designed;
- (j) loss or damage directly or indirectly caused by, or arising out of, or 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;
- (k) Loss or damage directly or indirectly caused by, or arising out of, or aggravated by nuclear reaction, nuclear radiation or radioactive contamination;
- (l) loss or damage due to any faults or defects existing at the time of commencement of this Certificate Wording within the knowledge of the Participant or his representatives, whether such faults or defects were known to the Takaful Operators or not;
- (m) Loss or damage directly or indirectly caused by, or arising out of, or aggravated by the willful act or willful negligence of the Participant or his representatives;
- (n) Loss or damage for which the supplier or manufacturer is responsible either by law or under contract;
- (o) Consequential loss or liability of any kind or description;
- (p) Loss or damage discovered only at the time of taking an inventory or during routine servicing.

In any action, suit or other proceeding where the Takaful Operator allege that by reason of the provisions of exclusions l - p above any loss, destruction or damage is not covered by this Certificate Wording, the onus of proving that such loss, destruction or damage is covered shall be upon the Participant.

PROVISIONS

Memo 1 - Sum Covered

It shall be a requirement of this Certificate Wording 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, eg, 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 of Loss Settlement

In the event of any loss or damage the basis of any settlement under this Certificate Wording shall be as follows:

- 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 value of any salvage shall be taken into account.

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 amount payable by the Takaful Operator according to the above-mentioned provisions shall be reduced by the deductible stated in the schedule.

The Takaful Operator 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.

CONDITIONS

1. The due observance and fulfillment of the terms of this Certificate 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 shall be deemed to be incorporated in and form part of this Certificate and the expression "this Certificate", wherever used in this contract, shall be read as including the Schedule. Any word or expression to which a specific meaning has been attached in any part of this Certificate or of the Schedule 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 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.

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 theft or 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. Nothing contained herein shall prevent the Participant from taking such steps as are absolutely necessary for the upkeep of operations at the respective construction site.

The liability of the Takaful Operator under this Certificate in respect of any item sustaining damage shall cease if said item is not repaired properly without delay.

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 (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 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. Cancellation:

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.

10. 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.

11. 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.