

ENDORSEMENT

Attached to and forming part of the master contract for **Mortgage Reducing Term Takaful (MRTT), Master Contract No. MRTT32** (hereinafter called the "Master Contract").

Notwithstanding anything to the contrary contained in the above-mentioned Master Contract, it is hereby understood and agreed that as from **01 July 2020**, the following provision will be revised and amended as follows:

Second Schedule - Definitions

1. Definitions – The following new descriptions will be added to 'Definitions':

Endorsement means written evidence of any amendment, variation or change made to this contract and certificate of takaful.

Mudharabah means a profit sharing arrangement with the Person Covered to provide the capital to be managed by the Operator and any profit generated is shared according to the agreed profit sharing ratio between the Person Covered and the Operator. Losses are borne by the Person Covered provided that such losses are not due to the Operator misconduct or negligence.

Tabarru' means the voluntary contribution amount to be deducted from the contribution for the purpose of providing takaful coverage to all participants.

Wakalah means the contract where a party, as principal (muwakkil) authorises another party as his agent (wakil) to perform a particular task on matters that may be delegated.

Second Schedule - General Provisions

1. Age – The description of 'Age' under clause 5 will be replaced with the following new clause:

Each Certificate of Takaful Is Issued for the age shown therein.

The age of the Person Covered will be admitted during his/her lifetime by the Operator on due proof but if not so admitted, proof of the age must be submitted before payment of any Benefit is made under the Certificate of Takaful.

If the age of the Person Covered has been incorrectly recorded, the Operator will make the following adjustment.





Any difference in the single contribution required from the inception of the Contract will be payable to the Operator or refunded, as the case may be. The Participants' Tabarru' Fund will also be adjusted by the difference in the total Tabarru' deductions required from inception of the Contract and the balance of the difference in contributions shall be adjusted in the Individual Participant Account. The end date stated in the certificate schedule shall be adjusted based on the correct age (if applicable).

2. Benefit at expiry date of certificate of takaful – The description of 'Benefit at expiry date of certificate of takaful' under clause 12 will be replaced with the following new clause:

If the Person Covered survives till the Expiry Date of the individual Certificate of Takaful, then the Individual Participant Account Value available at the Expiry Date shall be payable.

Sun Life Malaysia Takaful Berhad

Registration No: 200501012215 (689263-M)

Level 11, 338 Jalan Tuanku Abdul Rahman, 50100 Kuala Lumpur, Malaysia
Telephone (603) 2612 3600 Facsimile (603) 2698 7035 Client Careline 1300-88-5055 wecare@sunlifemalaysia.com
 sunlifemalaysia.com  @SunLifeMalaysia  [sunlifemalaysia_my](https://www.instagram.com/sunlifemalaysia_my)  Sun Life Malaysia

If the amount is equal to or less than RM10, clause 17 of Second Schedule would then apply.

When the Certificate of Takaful expired, the Operator will have no legal responsibility under the Certificate of Takaful.

Second Schedule - Fund Provisions

1. Participant account – The description of ‘Participant account’ under clause 1 will be replaced with the following new clause:

The single contribution less Wakalah Fee for each Person covered shall be deposited into the Individual Participant Account.

The monthly Tabarru’ in respect of each Person Covered, will be deducted from the Individual Participant Account to the Participants’ Tabarru’ Fund.

The assets of the Participant Account shall be under the Operator’s management and the Operator shall invest and manage the assets in accordance to the Principles of Mudharabah.

All costs, expenses, charges and levies for maintaining and investing the assets of the Participant Account and any other related expenses shall be paid from the Participant Account.

All contribution amount allocated into Participant Account is not guaranteed by the Operator. The Operator will share out the investment profits of this Participant Account which will be distributed annually after each financial year end as stipulated in the FOURTH SCHEDULE. The investment profits will be based on the actual performance of the Participant Account and are not guaranteed by Operator.

Any investment loss in the Participant Account will be borne by the Person Covered provided that such losses are not due to the misconduct, negligence or breach of specified terms by the Operator. The loss will be debited from the Person Covered’s Participant Account.

2. Participants’ tabarru’ fund – The description of ‘Participants’ tabarru’ fund’ under clause 2 will be replaced with the following new clause:

The Tabarru’ amount will be allocated into Participants’ Tabarru’ Fund, which is the holding fund from which the Operator pay all takaful benefits prescribed under this master contract. The Participants’ Tabarru’ Fund is collectively owned by the pool of takaful participants.

The takaful coverage will take into effect when there is Tabarru’ allocated into the Participants’ Tabarru’ Fund.

The assets of the Participants’ Tabarru’ Fund shall be under the Operator’s management and the Operator shall invest and manage the assets in accordance to the Principles of Shariah.





All costs, expenses, charges and levies for maintaining and investing the assets of the Participants’ Tabarru’ Fund and any other related expenses shall be paid from the Participants’ Tabarru’ Fund.

If the Participants’ Tabarru’ Fund is insufficient to fulfil the takaful obligations, the Operator will arrange for Qard from the Operator Fund to rectify the deficit. The Qard will have to be repaid when the Participants’ Tabarru’ Fund returns to surplus position.

Any investment profit from the Participants’ Tabarru’ Fund (if any) shall be part of surplus sharing calculation and distribution.

Sun Life Malaysia Takaful Berhad

Registration No: 200501012215 (689263-M)

Level 11, 338 Jalan Tuanku Abdul Rahman, 50100 Kuala Lumpur, Malaysia
Telephone (603) 2612 3600 Facsimile (603) 2698 7035 Client Careline 1300-88-5055 wecare@sunlifemalaysia.com
 sunlifemalaysia.com  @SunLifeMalaysia  [sunlifemalaysia_my](https://www.instagram.com/sunlifemalaysia_my)  Sun Life Malaysia

Any distributable surplus would be distributed as stipulated in the FOURTH SCHEDULE.

Second Schedule - Contribution and Charges Provisions

1. Wakalah fee – The description of ‘Wakalah fee’ under clause 2 will be replaced with the following new clause:

2. Wakalah

Each single contribution shall be subject to Wakalah Fee which is payable to the Operator. The applicable Wakalah Fee percentage (%) will be as stated in the FOURTH SCHEDULE.

The Operator may revise the Wakalah Fee percentage (%) at any time provided that at least three (3) months notice in writing given to the Contract Holder subject to the approval from the Takaful Regulatory Authority.

If there are any circumstances that would be deemed as mismanagement and negligence by the Operator, Operator will take all actions necessary to correct and rectify such circumstances including revising the relevant procedures and if required, to refund any amount due to participants.

In the event of dissolution of the contract due to cancellation within the free look period, surrender of contract or termination of contract, a refund of the whole or a part of the Wakalah Fee, if any, would form part of the amount payable.

Fourth Schedule - Surplus Sharing

1. Surplus sharing – The description of ‘Surplus sharing’ will be replaced with the following new clause:

Any declared annual distributable surplus arising from the Participants’ Tabarru’ Fund will be distributed as follows:





Operator	– 50% of surplus
Person covered	– 50% of surplus

Person Covered is entitled to the distributable surplus, if any, provided that the Certificate of Takaful is not lapsed and is not surrendered prior to the financial year end. If the Person Covered is entitled to the distributable surplus but the Certificate of Takaful is terminated under clause 18 of Second Schedule as at the surplus distribution date, clause 17 of Second Schedule would then apply.

All other provisions and conditions of the Master Contract shall remain unchanged.

Sun Life Malaysia Takaful Berhad

Registration No: 200501012215 (689263-M)

Level 11, 338 Jalan Tuanku Abdul Rahman, 50100 Kuala Lumpur, Malaysia
Telephone (603) 2612 3600 Facsimile (603) 2698 7035 Client Careline 1300-88-5055 wecare@sunlifemalaysia.com
 sunlifemalaysia.com  @SunLifeMalaysia  [sunlifemalaysia_my](https://www.instagram.com/sunlifemalaysia_my)  Sun Life Malaysia

A joint venture between Sun Life Assurance Company of Canada and Renggis Ventures Sdn Bhd

ENDORSEMENT

Attached to and forming part of the master contract for **Mortgage Reducing Term Takaful (MRTT), Master Contract No. MRTT32** (hereinafter called the “Master Contract”).

Notwithstanding anything to the contrary contained in the above-mentioned Master Contract, it is hereby understood and agreed that as from **1 July 2019**, the following provision will be revised and amended as follows:

Second Schedule – General Provisions

1. Amendments – The description of ‘Amendments’ under clause 2 will be replaced with the following new clause :

No agent or other person has the authority to amend, change or waive any provision of this contract or Certificate of Takaful, except by an endorsement signed by an authorized official of the Operator.

We reserve the right to amend the terms and provisions of this contract in order to comply with Malaysian law and regulations. We will provide prior written notice by ordinary post to your last known address in our records or other alternative modes of communication.

All other provisions and conditions of the Master Contract shall remain unchanged.

ENDORSEMENT

Attached to and forming part of the master contract for **Mortgage Reducing Term Takaful (MRTT), Master Contract No. MRTT32** (hereinafter called the "Master Contract").

Notwithstanding anything to the contrary contained in the above-mentioned Master Contract, it is hereby understood and agreed that as from **1 July 2019**, the following provisions will be revised and amended as follows:

Second Schedule – General Provisions

1. Rights and options – The description of 'Rights and options' under clause 17 will be replaced with the following new clause:

The Contract Holder shall exercise all the rights and options under this Contract and the Operator is not bound to recognize any claim or interest by any other person.

Upon the distribution of surplus (if any), the investment profit (if any) and/or the maturity of Certificate of Takaful (if any), any amount payable which is equal to or less than RM10 per Person Covered on each financial year will be credited to the Person Covered's latest bank account in the Operator's records. If the Person Covered does not provide the Operator with his/her bank account information, the amount will be donated to charitable organisations as approved by the Operator's Shariah committee.

Fourth Schedule – Schedule of Wakalah Fees and Charges

1. Surplus sharing – The description of 'Surplus sharing' will be replaced with the following new clause:

Any declared annual surplus arising from the Participants' Tabarru' Fund will be distributed as follows:

Operator	- 50% of the surplus
Special Fund	- 25% of the surplus

Balance will be distributed to all eligible Persons Covered. The proportion to the Individual Participant Account Value shall be determined by the Operator.





Person Covered is entitled to the distributable surplus, if any, provided that the Certificate of Takaful is not lapsed and is not surrendered prior to the financial year end. If the Person Covered is entitled to the distributable surplus but the Certificate of Takaful is terminated under clause 18 of Second Schedule as at the surplus distribution date, clause 17 of Second Schedule would then apply.

2. Distribution of investment profit in the Participant's Account – The description of 'Distribution of investment profit in the Participant's Account' will be replaced with the following new clause:

Any investment profit in the Participant Account, which is determined annually, will be allocated as follows:

Operator	- 10% of investment profit
Individual Participant Account	- 90% of investment profit

Sun Life Malaysia Takaful Berhad (689263-M)

Level 11, 338 Jalan Tuanku Abdul Rahman, 50100 Kuala Lumpur, Malaysia
Telephone (603) 2612 3600 Facsimile (603) 2698 7035 Client Careline 1300-88-5055 wecare@sunlifemalaysia.com
 sunlifemalaysia.com  [@SunLifeMalaysia](https://www.facebook.com/SunLifeMalaysia)  [sunlifemalaysia_my](https://www.instagram.com/sunlifemalaysia_my)  [Sun Life Malaysia](https://www.youtube.com/SunLifeMalaysia)



Person Covered is entitled to the investment profit, if any, provided that the Certificate of Takaful is not lapsed and is not surrendered prior to the financial year end. If the Person Covered is entitled to the investment profit but the Certificate of Takaful is terminated under clause 18 of Second Schedule as at the profit distribution date, clause 17 of Second Schedule would then apply.

All other provisions and conditions of the Master Contract shall remain unchanged.

ENDORSEMENT

Attached to and forming part of the master contract for **Mortgage Reducing Term Takaful (MRTT), Master Contract No. MRTT32** (hereinafter called the "Master Contract").

Notwithstanding anything to the contrary contained in the above-mentioned Master Contract, it is hereby understood and agreed that with effect from **1 September 2018**, the following clauses will be revised and amended as follows:

FOURTH SCHEDULE

Schedule of Wakalah Fees and Charges

1. The description of 'Surrender charge' will be deleted in its entirety and replaced with the following new clauses:

The charge will be RM50 or the value of individual participant account, whichever is lesser.

We reserve the right to revise the surrender charge at any time. Such changes would be applicable only to individual certificates issued thereafter.

All other provisions and conditions of the Master Contract shall remain unchanged.

ENDORSEMENT

Attached to and forming part of the master contract **Mortgage Reducing Term Takaful (MRTT), Master Contract No. MRTT32** (hereinafter called the "Master Contract").

Notwithstanding anything to the contrary contained in the above-mentioned Master Contract, it is hereby understood and agreed that with effect from 1 April 2015, the following provisions will be revised and amended as follows:

Fourth Schedule – Schedule of Wakalah Fees and Charges

1. Master contract – The description of 'Surrender charge' under will be deleted in its entirety and replaced with the following new clause:

The charge will be RM53 (inclusive of GST*) or the individual participant account value, whichever is lesser.

*Goods and Services Tax (GST) as per Goods and Services Tax Act 2014, currently at 6%. The prevailing rate of GST is subject to change.

The operator reserve the right to revise the surrender charge at any time. Such charges would be applicable only to individual certificates issues thereafter.

All other provisions and conditions of the Master Contract shall remain unchanged.

ENDORSEMENT

Attached to and forming part of the master contract **Mortgage Reducing Term Takaful (MRTT), Master Contract No. MRTT32** (hereinafter called the "Master Contract").

Notwithstanding anything to the contrary contained in the above-mentioned Master Contract, it is hereby understood and agreed that with effect from 1 January 2015, the following provisions will be revised and amended as follows:

Second Schedule – General Provisions

1. The contract – The description of 'The contract' under clause 1 will be deleted in its entirety and replaced with the following new clause:

1.1 This contract is issued in consideration of the person covered's application form and the payment of contribution as shown in the certificate of takaful and pursuant to:

(a) the answers given by the person covered in the application form or any subsequent questionnaires given by us on any matters relating to the application and any disclosures made by the person covered between the time of submission of the application and the time the certificate of takaful is entered into; and

(b) medical reports and any other reports and questionnaires;

(collectively referred to as 'the material information')

and such material information shall form part of this master contract between us and you and/or the person covered. However, in the event of any pre-contractual misrepresentation made in relation to such material information, only the remedies in Schedule 9 of the Islamic Financial Services Act 2013 will apply.

1.2 If the person covered is required by us, before the certificate of takaful is varied, to answer any questions or if he/she is required to confirm or amend any matter previously disclosed by him/her to us in relation to the certificate of takaful, it is the person covered's duty to take reasonable care not to make a misrepresentation when answering the questions or confirming or amending any matter previously disclosed.

1.3 The person covered must inform us of any change to the information given to us in his/her answers or in respect of any matter previously disclosed to us in relation to the certificate of takaful if such changes had taken place after the person covered has submitted the application for variation but before the certificate of takaful is varied.

2. New clauses – The following new clauses will be added into this provision:

19. Tax

19.1 All taxes, including without limitation any goods and services tax, and/or other forms of sales or consumption tax, whether currently in force or implemented after the date of the certificate of takaful will be charged in accordance with the applicable legislation at the prevailing rate. Where necessary, we will amend the terms of this master contract to take into account any such tax.

20. United States Foreign Account Tax Compliance Act (FATCA)

- 20.1 If the person covered has a U.S. indicia, the person covered agree to provide us with such information, consent and/or assistance as we may from time to time reasonably request, to allow us to comply with the United States Foreign Account Tax Compliance Act (FATCA). This request includes but is not limited to any required reporting to the U.S. Internal Revenue Service of information relating to the person covered or beneficiaries in connection with the certificate of takaful. If the person covered does not provide such information, consent and/or assistance as mentioned above, we reserve the right and shall be entitled to take the necessary action to be in compliance with FATCA which may include submitting the necessary reports, suspending the certificate of takaful, withholding the necessary monies to be remitted, terminating the certificate of takaful and returning the cash value (if any) less any indebtedness without profit in the event of such termination.
- 20.2 For the purpose of this master contract, the definition of U.S. indicia will be as that is stated by the U.S. Internal Revenue Service (IRS) through their website at www.irs.gov, or any subsequent revision by the IRS of that definition.

Third Schedule – Benefit Provisions – Benefit B - Total and Permanent Disability (TPD) Benefit

1. Total and Permanent Disability (TPD) Benefit – The following new clause will be added to paragraph 1:

This benefit applies only if the person covered suffers the TPD as defined below, while the certificate of takaful is in force, and the TPD begins on or after the certificate commencement date.

All other provisions and conditions of the Master Contract shall remain unchanged.

NOTICE / NOTIS

CHANGE OF NAME / PENUKARAN NAMA

Please be informed that we have changed our Company name to **Sun Life Malaysia Takaful Berhad** with effect from 19 August 2013.

*Sila maklum bahawa kami telah menukar nama Syarikat kami ke **Sun Life Malaysia Takaful Berhad** berkuatkuasa 19 Ogos 2013.*

CIMB AVIVA

CIMB AVIVA TAKAFUL BERHAD

MASTER CONTRACT

Mortgage Reducing Term Takaful (MRTT)

**NOTIFICATION ON CHANGES TO MANAGEMENT OF SURPLUS
ARISING FROM PARTICIPANTS' TABARRU' FUND**

In compliance with Bank Negara Malaysia's Takaful Operational Framework (TOF), kindly note that the management of surplus* under your contract will be revised with effect from 1 January 2012 affecting the contract clauses relating to the Participants' Tabarru' Fund and Surplus Sharing.

** The management of surplus under these contracts would be carried out at the end of each financial year where the determination of the surplus is based on the experience of underwriting and claims management during the term of the takaful contract.*

The changes will translate to a higher allocation rate (from 25% to 50%) for all Participants of our takaful products which qualify for Surplus Sharing namely MRTT, MRTT-BPP, Takaful Child Pro and Takaful Cancer Plan.

Any clause relating to "Special Fund" in your contract will be removed and shall not be applicable. We will continue to manage any surplus arising from Participants' Tabarru' Fund based on the following:

- Takaful plan with Surplus Sharing concept:
 - *Any surplus arising will be shared equally between Operator and Individual Participating Account.*

- Takaful plan without Surplus Sharing concept:
 - *Surplus to remain in the Participants' Tabarru' Fund; or*
 - *To donate the surplus to any charitable organisation approved by our Shariah Committee.*

Your contract will remain unchanged and you will continue to enjoy the same benefits, subject to the terms and conditions where applicable.

Should you require further clarification, please contact our Customer Careline at 1300-88-5055 or email us at wecare@sunlifemalaysia.com.

Thank you.

Yours faithfully
Sun Life Malaysia Takaful Berhad
(formerly known as CIMB Aviva Takaful Berhad)

SECOND SCHEDULE

DEFINITIONS

It is expressly declared and agreed that for the purpose of this Contract the following words are hereinafter defined:-

Certificate of Takaful shall mean the individual certificate issued to each Person Covered as evidence of the takaful coverage;

Effective Date shall mean the first day of the takaful coverage as stated in the Certificate of Takaful;

Expiry Date shall mean the last day of the takaful coverage as stated in the Certificate of Takaful;

Monthly Anniversary shall mean the date in any subsequent calendar month corresponding numerically to the day in the Effective Date. In the event there is no date in the subsequent calendar month corresponding numerically to the day in the Effective Date, the Monthly Anniversary shall be the last day in the subsequent calendar month;

Operator shall mean CIMB Aviva Takaful Berhad;

Participant Account shall mean the holding fund for contributions under this plan and other applicable plans and it is managed in accordance with the terms and conditions herein contained;

Individual Participant Account Value shall mean the value in the Individual Participant Account which is determined as the contribution for the Person Covered, less applicable Wakalah Fees, increased / decreased by investment profit / loss allocated from the Participant Account, and surplus allocated from the Participants' Tabarru' Fund, less applicable Tabarru' deductions;

Participants' Tabarru' Fund shall mean the holding fund into which Tabarru' deductions shall be credited into in accordance with the terms and conditions herein contained;

Principles of Shariah shall mean the Principles as interpreted by the Shariah Committee.

Qard shall mean an interest free loan provided by the Operator in the event of a deficit in the Participants' Tabarru' Fund;

Reducing Sum Covered shall mean the pre determined sum covered which reduces on monthly basis. The Reducing Sum Covered applicable at the end of each year is provided in the Reducing Sum Covered Schedule of the individual Certificate of Takaful. The Reducing Sum Covered applicable for each month shall be determined as per the formula provided under the FIFTH SCHEDULE; and

Shariah Committee shall mean the duly constituted committee appointed by the Operator, to advise in the operations of its takaful business, in order to ensure compliance with the Shariah.

Total and Permanent Disability (TPD) shall be defined as in the table below:-

FOR A PERSON COVERED WHO IS GAINFULLY EMPLOYED

A Disability which is total and permanent and persists continuously for a period of at least six (6) months, and which wholly prevents the Person Covered from engaging in any work, business, occupation or profession for wages compensation or profit.

The occurrence of any of the following shall also be considered as Total and Permanent Disability:

- (i) total and irrecoverable loss of the sight of both eyes; or
- (ii) irrecoverable loss by severance or irrecoverable total loss of use of two limbs at or above wrist or ankle; or
- (iii) total and irrecoverable loss of the sight of one eye and irrecoverable loss by severance or irrecoverable total loss of use of one limb at or above wrist or ankle;

FOR A PERSON COVERED WHO IS NOT GAINFULLY EMPLOYED

For the Person Covered who at the time of disablement, is not gainfully employed or, is a housewife, Total and Permanent Disability shall mean a permanent and continuous incapacity of the Person Covered from performing at least three (3) of the following Activities of the Daily Living:

- (i) Transfer – getting in and out of a chair without requiring physical assistance
- (ii) Mobility – the ability to move from room to room without requiring any physical assistance
- (iii) Continence – the ability to voluntarily control bowel and bladder functions such as to maintain personal hygiene
- (iv) Dressing – putting on and taking off all necessary item of clothing without requiring assistance of another person
- (v) Bathing/Washing – the ability to wash in the bath or shower (including getting in or out of the bath or shower) or wash by any other means
- (vi) Eating – all tasks of getting food into the body once it has been prepared

To be considered permanent, the Disability should persist continuously for a period of at least six (6) months.

SECOND SCHEDULE

GENERAL PROVISIONS

1. THE CONTRACT

The Schedules, the Certificates of Takaful, the application forms, questionnaires, written amendments and any statements to the Operator's medical examiners and/or paramedical examiners, shall constitute the Contract.

2. AMENDMENTS

No agent or other person has the authority to amend, change or waive any provision of this contract or Certificate of Takaful, except by an endorsement signed by an authorized official of the Operator.

3. INCONTESTABILITY

The Operator, except for fraud, shall not contest the validity of any Certificate of Takaful after it has been in force during the Person Covered's lifetime for two (2) years from the Effective Date of the Certificate of Takaful.

In the event the Certificate of Takaful is invalidated as of the Effective Date of the Certificate of Takaful, the contribution shall be refunded without any additional payment.

4. FREEDOM FROM RESTRICTION

This Contract does not restrict the Person Covered's freedom in respect of travel, residence or occupation.

5. AGE

Each Certificate of Takaful is issued for the age shown therein.

The age of the Person Covered will be admitted during his/her lifetime by the Operator on due proof but if not so admitted, proof of the age must be submitted before payment of any Benefit is made under the Certificate of Takaful.

If the age has been incorrectly recorded and the takaful would not have been possible in terms of the Operator's rules and regulations at the correct age, the liability shall be limited to the Individual Participant Account Value.

If however the takaful would still have been possible, then any difference in the single contribution required from the inception of the Contract will be payable to the Operator or refunded, as the case may be. The Participants' Tabarru' Fund will also be adjusted by the difference in the total Tabarru' deductions required from inception of the Contract and the balance of the difference in contributions shall be adjusted in the Individual Participant Account.

6. RETAKAFUL

The Operator shall be authorized to procure Retakaful or Reinsurance from any sources the Operator deems fit. Reinsurance arrangements are subject to approval by the Shariah Committee.

7. AMENDMENT OF CONTRACT

This Contract may be amended or changed at any time, without the consent of the Persons Covered hereunder, upon written agreement between the Contract Holder and the Operator. Any amendment or change to this Contract shall be binding on all Person Covered.

8. SEVERABILITY

In the event any provision of this Contract is held to be unenforceable, in whole or in part, such holding will not affect the validity of the other provisions of this Contract, and this Contract shall be construed in all respects as if the invalid or unenforceable provision is not essential to the underlying business terms of this Contract.

9. TAKAFUL REGULATORY AUTHORITY

This Contract shall be subjected to the overriding directive of Malaysia Takaful Regulatory Authority, its various guidelines, directives, regulations and the Takaful Act 1984 and its subsequent amendment or replacement.

This Contract shall be subjected to periodic review by the parties upon the issuance of any such guideline, directive, regulations or amendments to the Takaful Act 1984 and its subsequent amendment or replacement or any other related legislation, rule or law, governing the conduct of the business of the Operator.

10. LAW AND INTERPRETATION

This Contract shall be governed by and interpreted in accordance to the law of Malaysia.

In the event of inconsistency between English and Bahasa Melayu version, the English version shall prevail.

11. CASH VALUE

The Certificate of Takaful shall acquire the cash value equivalent to the Individual Participant Account Value less any applicable surrender charge as determined by the Operator. The cash value is payable upon surrender of the individual Certificate of Takaful and the individual Certificate of Takaful shall terminate on the first Monthly Anniversary following the date of surrender payment.

12. BENEFIT AT EXPIRY DATE OF CERTIFICATE OF TAKAFUL

If the Person Covered survives till the Expiry Date of the individual Certificate of Takaful, then the Individual Participant Account Value available at the Expiry Date shall be payable.

13. CANCELLATION OF THE CONTRACT

The Contract Holder or the Operator may, in writing, cancel this contract by giving three (3) months' notice. However, each Person Covered's coverage shall continue until the Expiry Date of the individual Certificate of Takaful or until the occurrence of circumstances specified in paragraph 19 herein.

14. NOTICE OF CLAIM

Written notice of claim must be given to the Operator within thirty (30) days from the occurrence of the event.

Failure to give notice within such time shall not invalidate any claim if it shall be shown not to have been reasonably possible to give such notice and that notice was given as soon as reasonably possible

15. SETTLEMENT OF TAKAFUL BENEFIT

The entire benefits shall be payable to the Contract Holder. This payment of benefit shall discharge all liabilities under this Contract.

16. RECORDS

The Contract Holder shall furnish periodically to the Operator, information relating to new Person Covered and termination of coverage of Person Covered that are required for the Operator to properly administer the Takaful. The Contract Holder shall furnish to the Operator the age, occupation, sex and other relevant data concerning the Person Covered as may be considered relevant to administer the Takaful and to determine the contribution rate upon request by the Operator.

SECOND SCHEDULE

GENERAL PROVISIONS

17. RIGHTS AND OPTIONS

The Contract Holder shall exercise all the rights and options under this Contract and the Operator is not bound to recognize any claim or interest by any other person.

18. TERMINATION TAKAFUL COVERAGE UNDER THE INDIVIDUAL CERTIFICATE OF TAKAFUL

The coverage under an individual Certificate of Takaful shall terminate in the following circumstances:

- (a) On the Expiry Date as stated in the individual Certificate of Takaful; or
- (b) Upon any occurrence of events as stipulated under the THIRD SCHEDULE; or
- (c) Upon surrender of the individual Certificate of Takaful.

1. PARTICIPANT ACCOUNT

The single contribution less Wakalah Fee for each Person Covered shall be deposited into the Individual Participant Account.

The monthly Tabarru' in respect of each Person Covered, will be deducted from the Individual Participant Account to the Participants' Tabarru' Fund.

The assets of the Participants' Tabarru' Fund shall be under the Operator's management and the Operator shall have the absolute discretion to invest and manage the assets in accordance to the Principles of Shariah and will avoid investing the asset in security and asset prohibited by Principles of Shariah.

All assets relating to the fund shall be and shall remain in the legal ownership of the Operator.

All costs, expenses, charges and levies for maintaining and investing the assets of the Participant Account and any other related expenses shall be borne and paid from the Participant Account.

The investment profits of this fund would be distributed as stipulated in the FOURTH SCHEDULE. The investment profits will be based on the actual performance of the fund and are not guaranteed.

2. PARTICIPANTS' TABARRU' FUND

The assets of the Participants' Tabarru' Fund shall be under the Operator's management and the Operator shall have the absolute discretion to invest and manage the assets in accordance to the Principles of Shariah and will avoid investing the asset in security and asset prohibited by Principles of Shariah.

All assets relating to the fund shall be and shall remain in the legal ownership of the Operator.

All costs, expenses, charges and levies for maintaining and investing the assets of the Participants' Tabarru' Fund and any other related expenses shall be borne and paid from the Participants' Tabarru' Fund.

If the Participants' Tabarru' Fund is insufficient to fulfill the takaful obligations, the Special Fund will be utilized to cover the deficit. Once the Special Fund has been exhausted, the Operator will arrange for Qard from the Operator Fund to rectify the deficit. Future surplus in the Participants' Tabarru' Fund will be used to repay the Operator for such Qard before any distribution of surplus.

Any surplus would be distributed as stipulated in the FOURTH SCHEDULE.

3. SPECIAL FUND

The Special Fund is for the purpose of compensating for any deficit in any of the Tabarru' funds of the Operator. In the event that the Operator determines that the funds in the Special Fund are more than sufficient, the excess funds may be transferred to the Participants' Tabarru' Fund.

The assets of the Participants' Tabarru' Fund shall be under the Operator's management and the Operator shall have the absolute discretion to invest and manage the assets in accordance to the Principles of Shariah and will avoid investing the asset in security and asset prohibited by Principles of Shariah.

All assets relating to the fund shall be and shall remain in the legal ownership of the Operator.

All costs, expenses, charges and levies for maintaining and investing the assets of the Special Fund and any other related expenses shall be borne and paid from the Special Fund.

SECOND SCHEDULE

CONTRIBUTION AND CHARGES PROVISIONS

1. CONTRIBUTION

The Operator will prescribe a single contribution which is payable for the takaful coverage for each Person Covered.

The Operator reserves the rights to change the single contribution rates at any time provided that at least three (3) months notice in writing is given to Contract Holder. Any such changes shall only be applicable to each Certificate of Takaful issued after the expiry of the notice period.

2. WAKALAH FEE

Each single contribution shall be subject to Wakalah Fee which is payable to the Operator. The applicable Wakalah Fee percentage (%) will be as stated in the FOURTH SCHEDULE.

The Operator may revise the Wakalah Fee percentage (%) at any time provided that at least three (3) months notice in writing given to the Contract Holder subject to the approval from the Takaful Regulatory Authority.

3. TABARRU'

The Operator shall deduct a monthly Tabarru' from the Individual Participant Accounts and transfer this amount into the Participants' Tabarru' Fund. The rates for the Tabarru' deductions shall vary according to the:

- i) Age nearest birthday of the Person Covered on the Monthly Anniversary.
- ii) Occupational risk
- iii) Health risk

The Tabarru' deduction for the takaful benefit will be applied by multiplying the applicable Tabarru' rate with the Sum at Risk.

Sum at Risk shall be the difference between the Reducing Sum Covered and the Individual Participant Account Value. If the Individual Participant Account Value is higher than the Reducing Sum Covered, the Sum at Risk shall be zero (0).

THIRD SCHEDULE

BENEFIT PROVISIONS

BENEFIT A – DEATH BENEFIT

Subject to the Provisions of this Contract, while the individual Certificate of Takaful is in force and prior to the last date of coverage as stated in the individual Certificate of Takaful, the following shall be payable in the event of death of the Person Covered from any cause other than the excluded risks as herein contained:

- i) Reducing Sum Covered less the Individual Participant Account Value at the time of death from the Participants' Tabarru' Fund,
- and
- ii) the Individual Participant Account Value at the time of death.

Should the Individual Participant Account Value at the time of death be greater than or equal to the Reducing Sum Covered, then the benefit payable shall be the Individual Participant Account Value.

EXCLUDED RISKS

If the Person Covered dies due to suicide while sane or insane the Operator's liability shall be limited to the Individual Participant Account Value at the time of death.

PROOF OF CLAIM

Proof of claim must be given to the Operator within thirty (30) days in such forms furnished by the Operator at the claimant's expense. The Operator shall reserve the right to request for further medical reports or evidence.

THIRD SCHEDULE

BENEFIT PROVISIONS

BENEFIT B – TOTAL AND PERMANENT DISABILITY (TPD) BENEFIT

Subject to the Provisions of this Contract, upon due proof of TPD as herein defined of the Person Covered from any cause other than the excluded risks as herein contained, the following shall be payable:

- i) Reducing Sum Covered less the Individual Participant Account Value at the date of occurrence of TPD from the Participants' Tabarru' Fund,
- and
- ii) the Individual Participant Account Value at the date of occurrence of TPD.

Should the Individual Participant Account Value at the date of occurrence of TPD be greater than or equal to the Reducing Sum Covered, then the benefit payable shall be the Individual Participant Account Value.

The TPD must commence:

- (a) on or after the Effective Date of the individual Certificate of Takaful; and
- (b) while the individual Certificate of Takaful is in force; and
- (c) before the Monthly Anniversary on or immediately after the sixty-fifth (65th) birthday of the Person Covered.
- (d) prior to the last date of coverage as stated in the individual Certificate of Takaful.

EXCLUDED RISKS

No benefit shall be payable if the total and permanent disability of the Person Covered resulted from:

- (a) Strike, riot, civil commotion, rebellion, war (whether declared or not);
- (b) Being under the influence of intoxicating liquor or any narcotic or drug;
- (c) Suicide, attempted suicide (whether sane or insane), immorality or intentional self injury (whether sane or insane);
- (d) Entering, operating or servicing, ascending or descending from or with any aerial device or conveyance except while the Person Covered is in an aircraft operated by a commercial passenger airline on a regular schedule passenger trip over its established passenger route;
- (e) Involvement in a breach of criminal law (unless as an innocent party) or membership of any illegal organization;
- (f) Acquired Immune Deficiency Syndrome (AIDS) or related complexes/conditions;
- (g) Involvement in any underwater activity necessitating the use of artificial breathing apparatus;
- (h) Nuclear Weapons material, ionizing, radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel. (Solely for the purpose of this exclusion, combustion shall include any self-sustaining process of nuclear fission)

PROOF OF DISABILITY

Affirmative proof that the Person Covered has become total and permanently disabled must be submitted to the Operator on forms to be provided by the Operator within nine (9) months from the date of occurrence of disability, at the expense of the claimant.

The Operator shall have the right and opportunity to examine the person whose injury or sickness is the basis of claim when and as often as it may reasonably require during the pendency of claim or payment of any benefit hereunder.

Notwithstanding that proof of disability of an Person Covered has been accepted by the Operator as satisfactory, the Operator shall have the right at any time before payment of the disability benefit, to require the Person Covered to furnish due proof of the continuance of such disability, at the expense of the claimant as the case may be.

FOURTH SCHEDULE

SCHEDULE OF WAKALAH FEES AND CHARGES

WAKALAH FEE

Wakalah fee is twenty percent (20%) of the single contribution.

The Operator may vary the Wakalah Fee from time to time, subject to approval from the Takaful Regulatory Authority.

SURRENDER CHARGE

Surrender charge is the minimum of Ringgit Malaysia fifty (RM50) or the Individual Participant Account Value.

The Operator may vary the Surrender Charge from time to time. Such changes would be applicable only to individual certificates issued thereafter.

SURPLUS SHARING

Any surplus distributed from the Participants' Tabarru' Fund, will be allocated as follows:

To the Operator – 50% of surplus

To Special Fund – 25% of surplus

Balance will be distributed to the Individual Participant Account as determined by the Operator.

DISTRIBUTION OF INVESTMENT PROFIT IN THE PARTICIPANT'S ACCOUNT

Operator – 10% of investment profit, determined annually.

Individual Participant Accounts – 90% of investment profit, determined annually.

All charges are not guaranteed and may be varied from time to time subject to Malaysian Takaful Regulatory Authority prior approval. The Operator shall give you at least three (3) months notice, before implementing the revised approved rates and

charges. Revision of Tabarru' deduction rates shall take effect from the next Contract Anniversary immediately following the expiry of the notice period.

FIFTH SCHEDULE

FORMULA FOR REDUCING SUM COVERED

The Reducing Sum Covered (*RSC*) is calculated based on the following formula:-

$$RSC_t = 1 \quad \text{for } t \leq 12 \times dp$$

$$RSC_t = \frac{1 - vl^{(12 \times n) - (t-1)}}{1 - vl^{(12 \times pp)}} \quad \text{for } t = (12 \times dp) + 1, (12 \times dp) + 2, \dots, 12 \times n$$

where

$$vl = \frac{1}{1 + \frac{lpr}{12}}$$

lpr = Loan Profit Rate

dp = Deferred Period

pp = Loan Repayment Period

n = *dp* + *pp*

t = duration in months