IKHLAS FOREIGN WORKER COMPENSATION SCHEME TAKAFUL CERTIFICATE

SALAM SEJAHTERA AND THANK YOU

For choosing Takaful IKHLAS as your Foreign Worker Compensation cover Takaful provider.

INTRODUCTION

The Participant and the Company hereby agree that:

1. The Proposal shall be incorporated and be the basis of the Certificate.
2. The Participant agrees to pay the Contribution in accordance with the Schedule.
3. The Proposal Form completed fully and faithfully shall be a condition precedent to any liability of the Company.
4. The Takaful coverage is subjected to the terms of this Certificate including provisions in respect of territorial limits and the Period of Takaful coverage specified in the Schedule.
5. The relationship between the Company and the Participant in this Certificate shall be governed by, and interpreted in accordance with Malaysian Law.

DEFINITIONS

Under this Certificate:

1. “Accident” shall mean a sudden, unexpected, unusual, specific event which occurs at an identifiable time and place, and shall also include exposure resulting from a mishap to a conveyance in which the Participant is traveling.

2. “Bodily Injury” shall mean the identifiable physical injury which:
   (a) is caused by an Accident; and
   (b) solely and independently of any other cause, except illness directly resulting from, or medical or surgical treatment rendered necessary by such Bodily Injury, occasions the death or disablement of the Participant within twelve (12) months from the date of the Accident.

3. “Certificate” means consisting at all Proposals and Schedules attached hereto and annexed together with this Certificate shall be complementary with one another.

4. “the Company” shall mean Takaful Ikhlas Berhad, its successors or assigns.

5. “Contribution” means any amount the Company requires the Participant to pay to participate in a Takaful plan.

6. “Covered Person” shall means the person described in the Schedule.

7. “Endorsement” shall mean written alteration to the terms, conditions and limitations of this Certificate which is shown on the Schedule.

8. “General Risk Investment Account (GRIA)” shall mean the account where initial remittance of the Participant's Contribution for a General Takaful product is made.

9. “the Participant” shall mean the person named in the Schedule as “the Participant”.

10. “Period of Takaful” shall mean
    a) From the commencement of this Certificate until the date your first renewal Contribution is due or
b) from any date for which your renewal Contribution is due to the next such date for which we have agreed to provide Takaful under this Certificate.

12. “Proposal” shall mean the Proposal signed by the Participant and other information that the Participant or anyone acting on behalf of the Participant has given to the Company.

13. “Qard” shall mean interest-free loan method.

14. “Risk Fund” means a pool of fund based on the concept of Tabarru’ providing mutual protection and indemnity among the Participants.

15. “Schedule” means the Certificate Schedule where both the covered items and sum covered are specified.

16. “Tabarru’” shall mean donation for the purpose of solidarity and cooperation among the Participants and to be used to help Participants in times of misfortune. In the context of Takaful IKHLAS, Tabarru’ will be allocated into the Risk Fund.

17. “Takaful” means a scheme based on brotherhood, solidarity and mutual assistance which provides for mutual financial aid and assistance to the participants in case of need whereby the participants mutually agree to contribute for that purpose.

18. “Wakalah” shall mean agency. In this context, it refers to a contract between Company and the Participant where the Participant authorizes the Company to manage the fund on his/her behalf, which allows the Company to charge a Wakalah fee.

19. “Warranties” shall mean either restriction or obligation that the Certificate imposes on the Participant. A breach of a warranty will entitle the Company to reject the claim for loss or damage or liability.

COVERING CLAUSE

Now this Certificate witnesseth that in respect of events occurring during the period of Takaful and subject to the terms limitations exceptions and conditions contained herein or endorsed hereon hereinafter collectively referred to as “the Terms of this Certificate”, the Company will indemnify the Participant as per the Terms stated in the various Section of this Certificate.

SECTION 1 – WORKMEN’S COMPENSATION TAKAFUL

If at any time during the Period of Takaful any foreign worker employed by the Participant as stated in the Schedule shall sustain personal injury Accident or disease arising out of and in the course of his employment by the Participant and if the Participant shall be liable to pay compensation for such injury under the law(s) set out in the Certificate then subject to the terms of this Certificate contained herein or endorsed hereon the Company will indemnify the Participant against all sums for which the Participant shall be so liable and will in addition be responsible for all costs and expenses incurred with its consent in defending any claim for such compensation.

Provided always that in the event of any change in the law(s) or the substitution of other legislation thereof this Section shall remain in force but the liability of the Company shall be limited to such sum as the Company would have been liable to pay if the Law(s) had remained unaltered.

Law(s)

As amended up to the date of commencement of this Certificate.

WORKMEN’S COMPENSATION ACT 1952
WORKMEN’S COMPENSATION (AMENDMENT) ACT 1956
WORKMEN’S COMPENSATION (AMENDMENT) ACT 1976
MODIFICATION OF LAWS (WORKMEN’S COMPENSATION) (EXTENSION AND MODIFICATION) ORDER 1981
WORKMEN’S COMPENSATION (AMENDMENT) ACT 1996
WORKMEN’S COMPENSATION (FOREIGN WORKERS COMPENSATION SCHEME) (INSURANCE) ORDER 1998
And any subsequent amendments to the said Act Enactment made effective prior to the date of issue of the Certificate.

**Special Condition to Section 1**

In the event of death of the Covered Workman resulting from personal injury by Accident in the course of employment, the Company shall pay an extra sum of RM7,000.00.

**Exclusion to Section 1**

The Company shall not be liable under this Section in respect of

a) the Participant’s liability to employees of contractors to the Participant

b) any employee who is not a “workman” within the meaning of the Law(s)

**Common Law Liability Exclusion**

Notwithstanding anything herein contained to the contrary, it is hereby declared and agreed that the indemnity granted by this Section does not include Common Law Liability.

**SECTION 2 – REPATRIATION EXPENSES**

The Company will subject to the Terms of this Section indemnify the Participant for repatriation expenses (defined below) incurred.

a) If during the Period of Takaful the Covered Person dies or suffers permanent total disablement.

b) If the Covered Person dies or suffers permanent total disablement within twelve months of the Accident or sickness occurring during the Period of Takaful

**Definition to Section 2**

The repatriation expenses shall be the actual expenses incurred or RM4,800.00, whichever is the lesser for the transportation of the Covered Person to his/her country of origin.

**SECTION 3 – PERSONAL ACCIDENT TAKAFUL (OFF-WORK HOURS)**

The Company shall, subject to the terms of this Section pay to the Covered Person or his legal personal representatives in respect of personal injury sustained in an Accident which occurs during the Period of Takaful and outside the working hours of the Covered Person.

a) a sum of RM23,000.00 in the event of death or permanent total disablement occurring within twelve months of the Accident; and/or

b) a sum of money based on the capital sum of RM23,000.00 calculated in accordance with the First Schedule of Workmen Compensation (Amendment) Act 1996 in respect of Permanent Partial Disablement; and/or

c) a sum of money calculated in accordance with Section 8 (e) of Workmen Compensation Act 1952 in respect of Temporary Disablement; and/or

d) Medical Expenses in accordance to the provisions of Workmen Compensation Act 1952.

**Territorial Limit: Malaysia**

**Special Provision to Section 3**

1. Loss of limb or member or part thereof shall mean loss by actual physical severance or total and permanent loss of use.
2. The total sum payable for Permanent Disablement in respect of injury to more than one portion of a limb or member or part thereof shall not exceed the sum payable in respect of such injury to the whole of that limb or member or part thereof.

3. Payment shall only be made either Benefit (a) or (b) and not both.

4. The maximum benefit payable under (a) and (b) above shall be RM23,000.00.

**Special Conditions to Section 3**

1. This Takaful shall not apply to a Covered Person who has attained the age of 65 years.

2. Notice in writing must be given to the Company of any Accident to a Covered Person which may give rise to a claim under this Section within ten (10) days of the Accident.

   All report certificates and information required by the Company shall be furnished by the Participant. The Covered Person shall from time to time submit himself to medical examination at the expense of the Company as may be required in connection with any claim.

   In the case of death where any reasonable doubt exists as to the cause thereof a qualified medical practitioner appointed by the Company shall be allowed to make a post-mortem examination of the body of the Covered Person at the Company's expense.

3. For the purpose of this Scheme, General Condition 6 (Other Takaful or Insurances) shall not apply to (a), (b) & (c) of this Section.

4. This Section is not assignable and payment of any Benefit under this Section shall only be made to the Covered Person or his beneficiary/estate whose receipt shall be a discharge to the Company.

**Exclusion to Section 3**

1. No payment will be made under this Section for Bodily Injury consequent upon

   a) any unlawful act of the Covered Person or wilful exposure to danger (other than in an attempt to save human life) suicide or attempted suicide or intentional self-injury.

   b) the effect or influence (temporary or otherwise) of alcohol or drugs not prescribed by a qualified medical practitioner, venereal disease, insanity, or AIDS.

   c) Pregnancy or childbirth, miscarriage or abortion.

   d) Rock climbing, mountaineering (which requires the use of ropes or guides), skin diving, parachuting, polo, steeple-chasing, big game hunting or racing of any kind other than on foot.

   e) Flying as a member of an aircrew or in any aircraft for the purpose of any trade or technical operation therein or thereon or air travel other than as a fare-paying passenger in any property certified or licensed power-driven aircraft contructed to carry passengers.

   f) Riding on motorcycle, motor scooter, moped or mechanically assisted pedal cycle (whether as driver or passenger) for sports, exhibition, competition or racing.

   g) Works carried out in relation to the Covered Person’s employment with the Participant.

**GENERAL EXCLUSIONS**

The Company will not indemnify the Participant and/or the Covered Person against:

1. any actions for compensation brought in the Courts of Law of any territory outside Malaysia.

2. loss damage injury by Accident or disease directly occasioned by or happening through or in consequence of :-

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a) war invasion act of foreign enemy hostilities (whether war be declared or not) civil war mutiny rebellion revolution incursion or military or usurped power.

b) Any act of any person or persons acting on behalf of or in connection with any organization with activities directed towards the overthrow by forces of any de jure or de facto Government or to influencing of it by terrorism or violence.

3. any loss damage injury or liability directly or indirectly caused by arising from or in consequence of or contributed to by

a) ionising radiations or contaminations by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel. Solely for the purpose of this Exception combustion shall include any self-sustaining process of nuclear fission.

b) nuclear weapons material.

GENERAL CONDITIONS

1. DEFINITION

Period of Takaful shall mean the Period specified in the Schedule and during which the Covered Person is in immediate employment of the Participant but excluding the Period when Covered Person returns to his/her home country. Cover ceases from the time the Covered Person leaves Malaysia and resumes upon his return to Malaysia.

2. INTERPRETATION

This Certificate and the Schedule shall be read together as one contract and any word or expression to which a specific meaning has been attached in any part of this Certificate or of Schedule shall bear such meaning wherever it may appear.

3. OBSERVANCE

The liability of the Company shall be conditional on the observance by the Participant and the Covered Person of the Terms of this Certificate.

4. PRECAUTION

The Participant and the Covered Person shall comply with all statutory obligations.

5. CLAIMS PROCEDURE

a) On the happening of any Accident which may give rise to a claim under this certificate the Participant shall

   i) report the Accident immediately to the Labour Department as provided under Section 13(1) & (2) of the Workmen’s Compensation Act 1952.

   ii) give immediate notice in writing within 10 days of the Accident to the Company stating the circumstances of the Accident and nature of injury.

b) Compensation payable as assessed by the Commissioner in accordance with the Act shall be paid within seven (7) days of receipt by the Company of such assessment.

6. OTHER TAKAFUL AND INSURANCE

If at the time any claim arises under this Certificate and should there be any other Takaful covering the same loss, damage or liability, the Company shall not be liable to pay or contribute more than its rateable proportion of any claim for such loss, damage or liability.
7. **CONTRIBUTION ALLOCATION**

Payment of the Takaful Contribution paid by the Participant as shown in the Schedule shall be placed in the GRIA where the Company will manage according to the Wakalah principle as defined by the Company and in accordance with Shariah principles. The Company will charge up to 25% of the Contribution as an upfront Wakalah fee and the balance shall be allocated into the Risk Fund at inception for Tabarru' charges and be used to help other Participants in time of misfortune.

8. **SURPLUS**

At each financial year-end, the Actuary will assess the surplus position of the Risk Fund.

The Company shall charge a Surplus Administration Charge (SAC) of 50% of the gross distributable surplus arising at the end of the financial year. However, the Company may at its discretion and where appropriate charge SAC less than 50% of the gross distributable surplus.

Any net distributable surplus arising (after deducting the SAC) from the Risk Fund will be allocated in full (100%) to the Participant. If the amount due to Participant is less than RM10 per Certificate, the amount shall be retained in the Risk Fund.

Any deficit in the Risk Fund will be met through an interest free loan (Qard) from the Shareholders' Fund. Such loan would be a first charge against the future surplus arising from the Risk Fund.

If there is a deficit in the Risk Fund due to the Company's negligence, then it is the responsibility of the Company to ensure that the fund is stable through outright transfer method and not deemed as an advance through the Qard.

9. **GOODS AND SERVICES TAX (GST)**

Our charges exclude tax that would be imposed by the government and/or the authority in the future (including Goods and Services Tax (GST)). Upon implementation of the GST, we shall be entitled to recover the GST from you in respect of this Takaful Certificate that is required under the law.

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**IMPORTANT NOTICE**

We care about the service that we provide for our customers, and our staff makes every effort to maintain as high a standard as possible. In the event that we do not meet your expectations and you are dissatisfied in some way, we would like to know and would ask you to write to our:

Customer Relationship Management,
Takaful Ikhlas Berhad, IKHLAS Point,
Tower 11A, Avenue 5, Bangsar South,
No. 8 Jalan Kerinchi,
59200 Kuala Lumpur

Telephone: 03-27239999
Fax No: 03-27239998
E-mail Address: complaints@takaful-ikhlas.com.my

We will make sure that your case is examined thoroughly. In the event that you are still not satisfied, you must address your complaint to the following entities for investigation into unfair market practices by Takaful Operators / Insurers.
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<tr>
<th><strong>Financial Mediation Bureau</strong></th>
<th><strong>Contact Centre (BNMTELELINK)</strong></th>
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<tr>
<td>Level 14,</td>
<td>Laman Informasi Nasihat dan Khidmat (LINK)</td>
</tr>
<tr>
<td>Dataran Kewangan Darul Takaful</td>
<td>Bank Negara Malaysia</td>
</tr>
<tr>
<td>No 4, Jalan Sultan Sulaiman</td>
<td>P.O. Box 10922</td>
</tr>
<tr>
<td>50000 Kuala Lumpur.</td>
<td>50929 Kuala Lumpur</td>
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<tr>
<td>Tel : 03-2272 2811</td>
<td>Tel : 1-300-88-5465 (1-300-88-LINK)</td>
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<tr>
<td>Fax : 03-2274 5752</td>
<td>Fax : +603-2174-1515</td>
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