

CONTRACTOR'S ALL RISK CERTIFICATE WORDING

Contractor's All Risk Takaful

Whereas the Participant named in the Schedule hereto has made to Takaful Brunei Am Sdn Bhd a written proposal by completing a questionnaire which together with any other statements made in writing by the Participant for the purpose of this Certificate is deemed to be incorporated herein.

Now this Certificate of Takaful witnesses that subject to the Participant having paid to Takaful Brunei Am Sdn Bhd the Contribution mentioned in the Schedule and subject to the term, exclusions, provisions and conditions contained herein or endorsed hereon Takaful Brunei Am Sdn Bhd will indemnify the Participant in the manner and to the extent hereinafter provided.

General Exclusions

Takaful Brunei Am Sdn Bhd will not indemnify the Participant in respect of loss damage or liability directly or indirectly caused by or arising out of or aggravated by

- a) 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 damage by order of any government de jure or de facto or by any public authority:
- b) Nuclear reaction, nuclear radiation or radioactive contamination:
- c) Wilful act or wilful negligence of the Participant or of his representatives:
- d) Cessation of work whether total or partial.

In any action, suit or other proceeding where Takaful Brunei Am Sdn Bhd alleges that by reason of the provisions of Exclusion a) above any loss, destruction, damage or liability is not covered by this takaful the burden of proving that such loss, destruction, damage or liability is covered shall be upon the Participant.

Period of Cover

The liability of Takaful Brunei Am Sdn Bhd shall commence, notwithstanding any date to the contrary specified in the Schedule, directly upon commencement of work or after the unloading of the items entered in the Schedule at the site. Takaful Brunei Am Sdn Bhd's liability expires for parts of the covered contract works taken over or put into service. 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 Takaful Brunei Am Sdn Bhd.

General 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 Takaful Brunei Am Sdn Bhd.
2. The Schedule and the Section(s) 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

and the Section(s). Any word or expression to which a specific meaning has been attached in any part of this Certificate or of the Schedule or of the Section(s) 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 Takaful Brunei Am Sdn Bhd to prevent loss, damage or liability and comply with statutory requirements and manufacturers' recommendations.
4.
 - a) Representatives of Takaful Brunei Am Sdn Bhd shall at any reasonable time have the right to inspect and examine the risk and the Participant shall provide the representatives of Takaful Brunei Am Sdn Bhd with all details and information necessary for the assessment of the risk.
 - b) The Participant shall immediately notify Takaful Brunei Am Sdn Bhd in writing of any material change on 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, if necessary, be adjusted accordingly.

No material alteration shall be made or admitted by the Participant whereby there is increased unless the continuance of the takaful be confirmed in writing by Takaful Brunei Am Sdn Bhd.

5. In the event of any occurrence which may give rise to a claim under this Certificate, the Participant shall
 - a) immediately notify Takaful Brunei Am Sdn Bhd by telephone or telegram as well as in writing, giving an indication as to the nature and extent of loss or damage,
 - b) take all 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 Takaful Brunei Am Sdn Bhd,
 - d) furnish all such information and documentary evidence as Takaful Brunei Am Sdn Bhd may require,
 - e) inform the police authorities in case of loss or damage due to theft or burglary.

Takaful Brunei Am Sdn Bhd shall not in any case be liable for loss, damage or liability of which no notice has been received by Takaful Brunei Am Sdn Bhd within 14 (fourteen) days of its occurrence. Upon notification being given to Takaful Brunei Am Sdn Bhd under this condition, the Participant may carry out the repairs or replacement of any minor damage, in all other cases a representative of Takaful Brunei Am Sdn Bhd shall have the opportunity of inspecting the loss or damage before any repairs or alterations are effected. If a representative of Takaful Brunei Am Sdn Bhd does not carry out the inspection within a period of time which could be considered as adequate under the circumstances the Participant is entitled to proceed with the repairs or replacement. The liability of Takaful Brunei Am Sdn Bhd 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 Takaful Brunei Am Sdn Bhd do and concur in doing and permit to be done all such acts and things as may be necessary or required by Takaful Brunei Am Sdn Bhd in the interest of any rights or remedies, or of obtaining relief or indemnity from parties (other than those covered under this Certificate) to which Takaful Brunei Am Sdn Bhd shall be or would become entitled or subrogated upon their paying for or making good any loss or damage under this Certificate, whether acts and things shall be or become necessary or required before or after the Participant's indemnification by Takaful Brunei Am Sdn Bhd.
7. If any difference shall arise 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 2 (two) Arbitrators, one to be appointed in writing by each of the parties, within 1 (one) calendar month after having been required in writing so to do by either of the parties, or in case Arbitrators do not agree, of an Umpire to be appointed in writing by the Arbitrators before entering upon the difference. The Umpire shall sit with the

Arbitrators and preside at their meeting. The making of an award shall be a condition precedent to any right of action against Takaful Brunei Am Sdn Bhd.

8. If any 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 any one action on his behalf to obtain any benefit under this Certificate, or if a claim is made and rejected and no action or suit is commenced within 3 (three) months after such rejection or, in case of arbitration taking place as provided herein, within 3 (three) months after the Arbitrator or Arbitrators or Umpire have made their award, all benefit under this Certificate shall be forfeited.
9. If at the time any claim arises under the Certificate there be any other takaful covering the same loss, damage or liability Takaful Brunei Am Sdn Bhd shall not be liable to pay or contribute more than their rateable proportion of any claim for such loss, damage or liability.

10. CANCELLATION OF CERTIFICATE

Takaful Brunei Am Sdn Bhd shall not be bound to send any notice of the Renewal Takaful Contribution becoming due, nor to renew this Certificate. Takaful Brunei Am Sdn Bhd shall, at any time by giving 7 (seven) days notice in writing to the Participant by registered letter posted to his last known address, be at liberty to determine and cancel the Certificate as from the date of such notice, in which case Takaful Brunei Am Sdn Bhd shall retain in the Takaful Fund takaful contribution on a pro-rata basis in proportion to the period the Certificate has been in force and return the balance thereof to the Participant after deduction of Wakalah fee and service charge. This Takaful may also be terminated by the Participant in writing to Takaful Brunei Am Sdn Bhd in which case Takaful Brunei Am Sdn Bhd shall apply the same procedure in respect of the takaful contribution as aforesaid.

11. TAKAFUL PRINCIPLES AND DISTRIBUTION OF UNDERWRITING SURPLUS

TABARRU'

The Participant hereby entrusts to Takaful Brunei Am Sdn Bhd, of which 65% of the Takaful contribution will be donated as Tabarru' into the General Takaful Fund to help other eligible Participants under the takaful contract.

WAKALAH

The Participant hereby appoints Takaful Brunei Am Sdn Bhd as Wakeel (agent) to administer, manage, invest and distribute the General Takaful Fund to other Participants in times of misfortune subject always to the terms and conditions stated in the Takaful Certificate and Schedule. To this end, the Participant agrees to give apportionments 35% of the Takaful contribution to Takaful Brunei Am Sdn Bhd as a Wakalah Fee for the aforementioned services.

DISTRIBUTION OF UNDERWRITING SURPLUS

The Participant hereby understands and agrees that the underwriting surplus arising from the said Fund, if any, shall be managed by Takaful Brunei Am Sdn Bhd in a manner deemed fit by Takaful Brunei Am Sdn Bhd and accordance to Shariah principles which shall give benefits to the Participant and the said Takaful Fund.

The Participant also understand that as agreed and approved by the Shariah Advisory Body of Takaful Brunei Am Sdn Bhd, the underwriting surplus will only be distributed to the Participant as hibah upon renewal of this Takaful Certificate PROVIDED THAT the Participant has not incurred any claim and received any benefit under this Takaful Certificate whilst it is in force. If there is no renewal on this Takaful Certificate, the Participant further agrees that there is no underwriting surplus shall be distributed to the Participant and it shall be made as Tabarru' in the General Takaful Fund for the benefits of the takaful participants and the General Takaful Fund itself.

Section I - Material Damage

Takaful Brunei Am Sdn Bhd hereby agrees with the Participant that if at any time during the period of cover the items or any part thereof entered in the Schedule shall suffer any unforeseen and sudden physical loss or damage from any cause, other than those specifically excluded, in a manner necessitating repair or replacement, Takaful Brunei Am Sdn Bhd will indemnify the Participant in respect of such loss or damage as hereinafter provided by payment in cash, replacement or repair (at their own option) up to an amount not exceeding in respect of each of the items specified in the Schedule the sum set opposite thereto and not exceeding in any one event the limit of indemnity where applicable and not exceeding in all the total sum expressed in the Schedule as covered hereby.

Takaful Brunei Am Sdn Bhd will also reimburse the Participant for the cost of clearance of debris following upon any event giving rise to a claim under this Certificate provided a separate sum therefore has been entered in the Schedule.

Special Exclusion to Section I

Takaful Brunei Am Sdn Bhd shall not, however, be liable for

- (a) the deductible stated in the Schedule to be borne by the Participant in any 1 (one) occurrence;
- (b) consequential loss of any kind or description whatsoever including penalties, losses due to delay, lack of performance, loss of contract;
- (c) loss or damage due to faulty design;
- (d) the cost of replacement, repair or rectification of defective material and/or workmanship, but this exclusion shall be limited to the items immediately affected and shall not be deemed to exclude loss of or damage to correctly executed items resulting from an accident due to such defective material and/or workmanship.
- (e) wear and tear, corrosion, oxidation, deterioration due to lack of use and normal atmospheric conditions;
- (f) loss or damage to construction plant, equipment and construction machinery 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;
- (g) loss of or damage to vehicles licensed for general road use or waterborne vessels or aircraft;
- (h) loss of or damage to files, drawings, accounts, bills, currency, stamps, deeds, evidences of debt, note, securities, cheques;
- (i) loss or damage discovered only at the time of taking an inventory.

Provisions Applying to Section I

Memo 1 -

Sum Covered: It is a requirement of this takaful that the sums covered stated in the Schedule shall not be less than

for item 1.1 : the full value of the contract works at the completion of the construction, inclusive of all materials, wage, freight, customs duties, dues, and materials or items supplied by the Principal; for item 1.2: the replacement value of construction plant, equipment and construction machinery; which shall mean the cost of replacement of the covered items by new items of the same kind and same capacity; and the Participant undertakes to increase or decrease the amounts of takaful in the event of any material fluctuation in wages or price provided always that such increase or decrease shall take effect only after the same has been recorded on the Certificate by Takaful Brunei Am Sdn Bhd. 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 Certificate shall be reduced in such proportion as the sums covered bear to the amounts required to be covered. Every object and cost item is subject to this condition separately.

Memo 2 -

Basic of Loss Settlement: In the event of any loss or damage the basis of any settlement under this Certificate shall be

- (a) 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 of the damage less salvage, or
- (b) in the case of a total loss - the actual value of the 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.

Takaful Brunei Am Sdn Bhd will 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. 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 Takaful Brunei Am Sdn Bhd of such repairs constitute part of the final repairs and do not increase the total repair expenses.

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

Memo 3 -

Extension of Cover: Extra charges for overtime, nightwork, work in public holidays, express freight are covered by this takaful only if previously and specially agreed upon in writing.

Section II - Third Party Liability

Takaful Brunei Am Sdn Bhd will indemnify the Participant for damages or compensation and all cost and expenses of litigation in respect of any accident or series of accident occurring in connection with or arising out of one event shall not in the aggregate exceed the amount specified in the schedule as the Limit of Indemnity per occurrence nor shall the liability in the aggregate in respect of one events occurring during the Period of Takaful exceed the amount specified in the schedule as the Aggregate Limit of Indemnity for the Period of Takaful.

Takaful Brunei Am Sdn Bhd will indemnify the Participant against all sum which the Participant shall become legally liable to pay as damages or compensation in respect of

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

occurring in direct connection with the construction or erection of the items 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, Takaful Brunei Am Sdn Bhd 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 Takaful Brunei Am Sdn Bhd,

provided always that the liability of Takaful Brunei Am Sdn Bhd under this section shall not exceed the limits if indemnity stated in the Schedule.

Special Exclusions to Section II

Takaful Brunei Am Sdn Bhd 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. the expenditure incurred in doing or redoing or making good or repairing or replacing anything covered or coverable under Section I of this Certificate;
3. damage to any property or land or building caused by vibration or by the removal or weakening of support or injury or damage to any person or property occasioned by or resulting from any such damage (unless specially agreed upon by endorsement)
4. 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 or otherwise unless such liability would have attached in the absence of such agreement.

Special Conditions Applying to Section II

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 Takaful Brunei Am Sdn Bhd 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 damage 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 Takaful Brunei Am Sdn Bhd may require.
2. Takaful Brunei Am Sdn Bhd may so far as any accident is concerned pay to the Participant up to the limit of indemnity for any one accident (but deducting therefrom in such case any 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 Takaful Brunei Am Sdn Bhd shall thereafter be under no further liability in respect of such accident under this section.