

MACHINERY ALL RISK CERTIFICATE WORDING

WHEREAS the Participant by a Proposal and Declaration which shall be the basis of this Certificate and is deemed to be incorporated herein has applied to Takaful Brunei Am Sdn Bhd for the Takaful provided by this Certificate and has paid or agreed to pay the contribution as consideration for such takaful.

Takaful Brunei Am Sdn Bhd agrees subject to the terms exceptions limits and conditions specified herein or endorsed hereon that if during the period of Takaful the property described in the Schedule shall suffer any unforeseen and sudden physical loss or damage from any cause other than those specifically excluded, and in a manner necessitating repair or replacement Takaful Brunei Am Sdn Bhd will by payment or at its option by reinstatement replacement or repair indemnify the Participant against such loss damage or destruction.

GENERAL EXCEPTIONS

This Certificate does not cover any loss of or damage

1) **A.** directly or indirectly caused by or contributed to by or arising from

- (a) Ionizing radiations 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 exception combustion shall include any self-sustaining process of nuclear fission
- (b) nuclear weapons material
- (c) war invasion act of foreign enemy hostilities or warlike operations (whether war be declared or not) civil war
- (d) mutiny civil commotion assuming the proportion of or amounting to a popular rising military rising unsurrection rebellion revolution military or usurped power.
- (e) The act of any person acting on behalf of or in connection with any organisation with activities directed towards the overthrow by force of the Government de jure or de facto or to the influencing of it by terrorism or violence
- (f)
 - i. permanent or temporary dispossession resulting from confiscation nationalization commandeering or requisition by any lawfully constituted authority
 - ii. permanent or temporary dispossession of any building resulting from the unlawful occupation of such building by any person provided that Takaful Brunei Am Sdn Bhd is not relieved of any liability to the Participant in respect of physical damage to the Machinery occurring before dispossession of during temporary dispossession which is otherwise covered by this Certificate.

In any action suit or other proceedings where Takaful Brunei Am Sdn Bhd alleges that by reason of the provisions of Exceptions (c) (d) and (e) above by any loss damage or destruction is not covered by this Takaful the burden of proving that such loss damage or destruction is covered shall be upon the Participant.

B. Caused by or contributed to by or arising from

- a) the act of any person taking part together with others in any disturbance of the public peace (whether in connection with a strike or lockout or not) not being an occurrence mentioned (c) (d) and (e) above and the

action of any lawfully constituted authority in suppressing or attempting to suppress any such disturbance or in minimising the consequences of any disturbance.

- b) the wilful act of any striker or lock-out worker done in furtherance of a strike or in resistance to a lock-out and the action of any lawfully constituted authority in preventing or attempting to prevent any such act.
- 2) arising out of the ownership or possession of or use under the control of the Participant or any person acting on behalf of the Participant of:-
- a) any vessel craft or thing made to or intended to fly float or travel on or through water or air and/or property carried by stored in or mounted upon such vessel craft or thing
 - b) any power driven vehicle which is licensed for road use other than any mobile crane mechanical navy shovel grab excavator site clearing and leveling plant or any self-propelled vehicle with plant permanently attached which is not more specifically covered under any other Certificate of Takaful.
- 3) directly or indirectly occasioned by happening through or in consequence of:-
- (a) typhoon hurricane cyclone volcanic eruption earthquake subterranean fire or other convulsion of nature or atmospheric conditions
 - (b) wear and tear or gradual deterioration or depreciation
 - (c) the wilful act or neglect of the Participant
 - (d) mechanical or electrical breakdown failure or breakages
- 4) to the Participant property whilst in transit including loading and unloading to and from any conveyance

CONDITIONS

1. CONTRACT

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 the Schedule shall bear such specific meaning wherever it may appear. The headings used in this Contract are of ease of reference only and shall not be taken into account in the construction of interpretation of any provision to which they refer.

2. FULFILMENT OF PARAMOUNT

The due observance and fulfillment of the terms, conditions and endorsements of the Certificate insofar as they relate to anything to be done or complied with by the Participant and the truth of the statements and answers in the Proposal and Declaration shall be condition precedent to any liability of Takaful Brunei Am Sdn Bhd to make any payment under this Certificate.

3. SUM COVERED – AVERAGE

The Sum Covered for each item described in the Schedule shall at all times be equal to the cost of the replacement of the item by a new item of the same specification and performance when purchased as an individual item including freight charges erection costs customs dues and taxes. If any item shall at all time of any loss or damage be of greater value as calculated above than the sum covered for such item then the Participant shall be considered

as being his own insurer/Takaful Operator for the difference and shall bear a proportionate share of the loss accordingly.

4. LIMIT OF INDEMNITY

All sums which may from time to time be paid under this Certificate during each period of Indemnity shall be accounted in diminution of the respective sums covered so that during one Period of Indemnity the total sum payable by Takaful Brunei Am Sdn Bhd shall not exceed the sum set opposite each item of the Property or in the whole the Total Sum Covered.

5. CLAIMS PROCEDURES AND PROVISIONS

On the happening of any event giving rise or likely to give rise to a claim under this Certificate coming to his knowledge the Participant shall:-

- (a) Give notice thereof to Takaful Brunei Am Sdn Bhd or their nearest branches as soon as possible
- (b) take precautions to prevent any further loss or damage. Takaful Brunei Am Sdn Bhd shall not be liable in respect of any further damage arising out of the continued use of damaged Machinery until such Machinery shall have been repaired to the satisfaction of Takaful Brunei Am Sdn Bhd;
- (c) take precautions to preserve any things which might prove necessary or useful by way of evidence in connection with any claim and so far as may be reasonably practicable no alternation or repair shall without the consent of Takaful Brunei Am Sdn Bhd be made after the event until Takaful Brunei Am Sdn Bhd shall have had an opportunity of inspection;
- (d) when called upon to do so deliver to Takaful Brunei Am Sdn Bhd or their representative a statement in writing of all particulars and details reasonably practicable of the Machinery affected and the value thereof and the damage thereto and furnish all such vouchers proofs explanations and other evidence as may be reasonably required by Takaful Brunei Am Sdn Bhd together with a statutory declaration if required in verification of the statement;
- (e) at the expense of Takaful Brunei Am Sdn Bhd do or permit to be done all such acts and things as may be necessary or reasonably required by Takaful Brunei Am Sdn Bhd for the purpose of enforcing any rights or remedies or obtaining relief or indemnity from other parties 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 such acts and things shall be or become necessary or required before or after indemnification by Takaful Brunei Am Sdn Bhd;
- (f) take all practical steps to recover any Machinery including in the event of property lost stolen or willfully damaged;
- (g) inform the Police authorities immediately (not more than 24 hours) in the case of loss or damage due to burglary.

6. INDEMNIFICATION

- (1) If any claim be in any respect fraudulent or if any fraudulent means or devices be used by the Participant or anyone acting on his behalf to obtain any benefit under this Certificate or if any loss or damage be occasioned with the connivance of the Participant all benefits under this Certificate shall be forfeited
- (2) Takaful Brunei Am Sdn Bhd may at their own option repair replace or reinstate any damaged item or part thereof or pay the amount of the damage in money

(3) the bases of indemnification are:-

- (a) in the case of repairable damage – the cost of restoration to normal working order comprising the value of replacement parts labour charges at standard rates of wages transport costs at ordinary rates (any additional charges resulting from the use of air freight are excluded) and the cost of dismantling and re-erection customs dues and taxes. The value of damaged parts replaced which can be used again in any way whatsoever may be deducted. The Liability of Takaful Brunei Am Sdn Bhd is limited to the reinstatement of the item to its condition immediately prior to the loss or damage. If the value of an item or a part thereof of is increased by the repair the liability of Takaful Brunei Am Sdn Bhd shall be reduced by the amount of such increase.
- (b) in the case of total loss – the market value of the item immediately before the loss or damage together with the cost of dismantling the damaged Machinery and the cost of delivering and erecting a replacement item but less the value of any salvage.

An item will be deemed to be a total loss if the costs of repairs are defined in paragraph (a) of this Condition equals or exceeds the market value immediately before the occurrence.

7. RATEABLE PROPORTION

If at any time of any loss or damage by this Certificate there shall be any other Takaful or insurance covering such damage effected by or on behalf of the Participant Takaful Brunei Am Sdn Bhd shall not be liable for more than their rateable proportion of such damage. If such other Takaful or insurance is subject to Machinery in good working condition order to enforce the observance by all persons of all proper safeguards against loss or damage to the Machinery and to ensure that statutory and other regulations relating to the operation and inspection of the Machinery are obeyed.

8. RIGHT OF ACCESS & SECURITY

Takaful Brunei Am Sdn Bhd official or representatives shall have the right at all reasonable times to inspect and examine the Machinery. Dismantling and re-assembling in connection with any examination shall be carried out by the Participant on such date or dates as Takaful Brunei Am Sdn Bhd and the Participant shall mutually agree for the making of such examinations.

9. CHANGE OF RISKS

The Participant shall notify Takaful Brunei Am Sdn Bhd of any defects or conditions of working which affect the risk of loss or damage and shall cause such additional precautions to be taken as the circumstances require. Takaful Brunei Am Sdn Bhd shall not be liable for any loss or damage caused by a departure from normal working conditions with the Participant's approval and which creates an aggravated risk unless Takaful Brunei Am Sdn Bhd shall have given prior consent.

10. AVOIDANCE

If at any time after commencement of this takaful

- a) the business of the Participant be wound up or carried on by liquidator or receiver or permanently discontinued
- b) the Participant's interest ceased otherwise that by death, his Certificate shall be avoided unless its continuance be admitted by endorsement signed by or on behalf of Takaful Brunei Am Sdn Bhd.

11. CANCELLATION

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 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.

12. ARBITRATION

All differences as to the amount of any loss or damage arising out of this Certificate (liability being otherwise admitted) shall, independently of all other questions 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) disinterested persons as Arbitrators of whom 1 (one) shall be appointed in writing by each of the parties within 2 (two) calendar months after having been required to do so in writing by the other party. In case either party shall refuse or fail to appoint an Arbitrator within 2 (two) calendar months after receipt of notice in writing requiring an appointment, the other party shall be at liberty to appoint a sole Arbitrator, and in case of disagreement between the Arbitrators the difference shall be referred to the decision of an Umpire who shall be appointed by the Arbitrators in writing before entering on the reference and who shall sit with the Arbitrators and preside at their meetings. The death of any party shall not revoke or affect the authority or power of the Arbitrator. Arbitrators or Umpire, and in the event of the death of an Arbitrator or Umpire another shall in each case be appointed in his stead by the party or Arbitrator (as the case may be) by whom the deceased Arbitrator or Umpire was appointed. The cost of the reference and the award shall be at the discretion of the Arbitrator, Arbitrators or Umpire making the award. And it is hereby expressly stipulated and declared that it shall be a condition precedent to any right of action or suit upon this Certificate that the award by such Arbitrator, Arbitrators or Umpire of the amount of the loss or damage if disputed shall be first obtained. The cost of an Arbitrator shall be borne by the party by whom he was appointed, and the costs of the Umpire shall be borne in equal shares by the Participant and Takaful Brunei Am Sdn Bhd.

13. 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 apportions 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.

14. CONTRIBUTION WARRANTY CLAUSE

1) Notwithstanding anything herein contained to the contrary, and subject only and without prejudice to Clause 2 hereinafter set out, it is hereby declared and agreed that it is condition precedent to liability under this Certificate, Renewal Certificate, Endorsement or Cover Note that any contribution due must be paid and actually received in full by Takaful Brunei Am Sdn Bhd, through whom this Certificate was effected:-

(a) when the period of Takaful is 90 days or more, with NINETY (90) days from the:-

- i. INCEPTION date of the coverage under the Certificate, Renewal Certificate or Cover Note; or
- ii. EFFECTIVE date of the coverage stated on each Endorsement, if any, issued under the Certificate, Renewal Certificate or Cover Note when the effective date of coverage stated on the Endorsement is on or after the issuance date of the Endorsement; or
- iii. ISSUANCE date of each Endorsement, if any, issued under the Certificate, Renewal Certificate or Cover Note where the effective date of coverage under the Endorsement is before the issuance date;
- i. EFFECTIVE date of coverage of any Endorsement issued under such Certificate, for the first instalment and thereafter from the agreed dates on which the subsequent instalments become payable.

OR

(b) When the period of Takaful is LESS than NINETY (90) days, within the period of Takaful specified in the Certificate, Endorsement, Renewal Certificate or Cover Note.

2) In the event of the abovementioned contribution is not paid in full to Takaful Brunei Am Sdn Bhd, as described above in the manner and within the time stipulated above (the "contribution warranty period"), the cover under this Certificate, Renewal Certificate, Endorsement or Cover Note shall be deemed to have terminated from the expiry of the contribution warranty period and Takaful Brunei Am Sdn Bhd shall be discharged from all liability therefrom but without prejudice to any liability incurred before that date and Takaful Brunei Am Sdn Bhd will be entitled to a pro-rata time on risk contribution subject to a minimum of B\$50.00.