

SHARIAH CONTRACT (‘AQAD)**1. Contractual relationship among the participants contributing into the *Tabarru` Fund***

You agreed to participate in this plan together with all the other participants based on the principles of *Ta`awun* (mutual assistance). The *Tabarru`at* (charitable) contribution that You make will be pooled into the *Tabarru` Fund* together with the contribution of other participants to provide for mutual financial benefits payable to all the eligible takaful participants or their beneficiaries on the occurrence of pre-agreed events based on the agreed takaful benefit under the plan.

2. Contractual relationship between You and Us**2.1 *Wakalah***

2.1.1 You agreed to appoint and authorise Us to manage this takaful plan and invest the *Tabarru` Fund*. We are authorised to implement the takaful business in accordance with Shariah principles, legal and regulatory requirements as well as the terms stated herein.

2.1.2 In return for the tasks to be carried out and based on *Wakalah bi al-ujrah* principles, You agreed to pay the *Wakalah Charges* to Us as specified under Schedule 2 and Certificate Provisions Clause 6.1 herein. In addition to the *Wakalah Charges*, We are also entitled to performance fee on the distributable Surplus as stated under Certificate Provisions Clause 3.1.1 herein.

2.1.3 Upon circumstances that would be deemed as mismanagement, negligence or breach of specified terms, We shall be liable and shall compensate for loss or damage including any actual cost suffered by You.

2.1.4 This *Wakalah* contract shall dissolve upon maturity, termination due to surrender or any circumstances as specified under the Termination Clause 9.8 herein. We are entitled to the *Wakalah Charges* for the services rendered.

CERTIFICATE PROVISIONS

In this entire Certificate, the following words and phrases are defined as below.

Activities of Daily Living	<ul style="list-style-type: none"> (a) Transfer – Getting in and out of a chair without requiring physical assistance. (b) Mobility – The ability to move from room to room without requiring any physical assistance. (c) Continence – The ability to voluntarily control bowel and bladder functions such as to maintain personal hygiene. (d) Dressing – Putting on and taking off all necessary items of clothing without requiring assistance of another person. (e) Bathing and 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. (f) Eating – All tasks of getting food into the body once it has been prepared.
Age	Age next birthday.
Basic Benefits	Death Benefit and Total and Permanent Disability Benefit.
Certificate	The document which consists of the Preamble, Certificate Information Statement, Schedules, Shariah Contract (`Aqad), Certificate Provisions and future confirmation notice We may issue.
Certificate Anniversary	Refers to the same date each year as the Commencement Date.
Contribution	The contribution that You need to pay for Basic Benefits under this Certificate. It is the sum of the <i>Wakalah</i> Charge and <i>Tabarru`</i> Deduction.
Contribution Due Date	The first day on which Your Contribution is due, according to the payment frequency shown in Schedule 1. The first Contribution Due Date is the Commencement Date.
Distributable Surplus	The Distributable Surplus arising inclusive of the Investment Profit from the <i>Tabarru`</i> Fund after claims payable and reserves. The Distributable Surplus is calculated and distributed (if any) annually.
Investment Profit	The profit arising from managing the investment of the <i>Tabarru`</i> Fund, which will be distributed together with Distributable Surplus.
Pre-Existing Condition	<p>Illness and/or condition that You have reasonable knowledge of before the Commencement Date. You may be considered to have reasonable knowledge of a Pre-Existing Condition where the illness and/or condition is one for which:</p> <ul style="list-style-type: none"> (a) You have received or is receiving treatment for; or (b) medical advice, diagnosis, care or treatment has been recommended; or (c) clear and distinct symptoms are or were evident; or (d) its existence would have been apparent to a reasonable person.
<i>Tabarru`</i> Deduction	The balance of Your Contribution after deducting the <i>Wakalah</i> Charge. It is contributed into a fund for the purpose of mutual aid and assistance according to the agreed benefits under the plan.

Tabarru` Fund	A fund collectively owned by the participants where the <i>Tabarru`</i> Deductions from the participants are placed and pooled together. The fund is used to pay the agreed benefits under the plan on the basis of mutual aid and assistance.
Total and Permanent Disability	<p>(a) If the disability happens because of accident or illness before You are sixty one (61) years old, it will mean You are permanently and completely unable to engage in any occupation and perform any work for remuneration or profit.</p> <p>(b) If the disability happens because of accident or illness when You are sixty one (61) one years old but before the Expiry Date of this Certificate, You shall receive confirmation by a consultant physician of the loss of independent existence and resulting in a permanent inability to perform at least three (3) of the Activities of Daily Living either with or without the use of mechanical equipment, special devices or other aids and adaptations in use for disabled persons.</p> <p>(c) In all cases, such disability must be permanent and must have lasted for a period of at least six (6) consecutive months.</p> <p>(d) The following disabilities will also be regarded as satisfying the definition of TPD:</p> <ul style="list-style-type: none">(i) total and irrecoverable loss of the sight of both eyes; or(ii) loss by severance of two (2) limbs at or above the wrist or ankle; or(iii) total and irrecoverable loss of the sight of one (1) eye and the loss by severance of one (1) limb at or above the wrist or ankle.
Wakalah Charge	Any charges that You pay to Us for services rendered.
We or Us or Our	Prudential BSN Takaful Berhad.
You or Your	The Covered Person of this takaful plan as mentioned in Schedule 1.

1 BRIEF CERTIFICATE DESCRIPTION

This is a yearly renewable family takaful plan that provides You takaful coverage, subject to renewal as stated in Section 9.10.

Subject to the Schedules and the provisions stated in this Certificate Provisions, We will provide the Basic Benefits and You agree to pay the Contribution to Us.

We will take the *Wakalah* Charge from Your Contribution. The remaining amount of Your Contribution will be placed into a *Tabarru`* Fund as *Tabarru`* Deduction.

You are entitled to the Distributable Surplus (if any) from the *Tabarru`* Fund as set out under Section 3.1.

2 CONTRIBUTION

2.1 Payment of Contribution

2.1.1 The amount and frequency of the Contribution is shown in Schedule 1. You need to pay the first Contribution amount before the Commencement Date shown in Schedule 1. The subsequent Contribution shown in Schedule 2 shall be paid on each Contribution Due Date.

2.1.2 The Contribution is not guaranteed and We may revise the Contribution by giving a ninety-(90)-day-notification to You. The revision to the Contribution will be effective at the next Certificate Anniversary after the notification. If the next Certificate Anniversary falls within ninety (90) days from the date of Our notification, the revision to the contribution rates will be effective at the following Certificate Anniversary.

2.2 Non-payment of Contribution

2.2.1 If You do not pay the Contribution within the grace period of thirty (30) days from the Contribution Due Date, the Certificate will lapse as mentioned in Section 7.

3 DISTRIBUTABLE SHARING

3.1 Distributable Surplus from the *Tabarru`* Fund

3.1.1 We will determine the exact amount of Distributable Surplus annually and the amount is subject to approval by both Our Shariah Committee and Board of Directors. You are, then, entitled to receive fifty percent (50%) of the Distributable Surplus (if any) arising from Your *Tabarru`* Deduction into the *Tabarru`* Fund. The balance fifty percent (50%) of the Distributable Surplus will be given to Us as a performance fee for managing the *Tabarru`* Fund.

3.1.2 If there is a deficit, We will provide an interest free loan (*Qard*) to cover the deficit. We will carry forward this loan to the following financial year and may then use any future Distributable Surplus to pay off the interest free loan. We will then pay the remaining balance (if any) according to Section 3.1.1.

4 BENEFITS

4.1 Death Benefit

4.1.1 If You die while the Certificate is in force, We shall pay the Amount of Benefit for Death Benefit shown in Schedule 2 from the *Tabarru`* Fund less any outstanding amount that is due to Us.

4.1.2 Exclusion

4.1.2.1. We will not pay the Death Benefit if the death is caused by suicide within one (1) year from the Commencement Date.

4.1.3 Conditions

4.1.3.1 You must send written notification of death claim to Our head office in Kuala Lumpur within sixty (60) days from the date of death. If You fail to do this, it will not affect Your claim as long as You can show that the notice was not reasonably possible to be given within sixty (60) days and was given as soon as possible.

4.1.3.2 The admission of the death claim shall be subject to proof of death that is satisfactory to Us and such proof must be furnished to Us:

- (a) not exceeding one hundred eighty (180) days from the date of death; and
- (b) at Your own expense.

We may reject any claim of You do not meet the above conditions.

4.2 Total and Permanent Disability Benefit

4.2.1 If You suffer Total and Permanent Disability (TPD) while the Certificate is in force, We shall pay the Amount of Benefit for TPD Benefit shown in Schedule 2 from the *Tabarru`* Fund less any outstanding amount that is due to Us.

4.2.2 We shall deduct the Amount of Benefit for TPD Benefit from the Amount of Benefit for Death Benefit, after We have made payment for the TPD Benefit pursuant to Section 4.2.1.

4.2.3 Exclusions

4.2.3.1 We will not pay the TPD Benefit if the TPD is directly or indirectly caused by:

- (a) attempted suicide or self-inflicted injuries while sane or insane; or
- (b) engaged in aerial flights (including parachuting and skydiving) other than as a crew member of or as a fare-paying passenger on a licensed passenger-carrying commercial aircraft operating on a regular scheduled route; or
- (c) any Pre-Existing Condition that was not disclosed to Us in relation to Your health status. This is applicable within twelve (12) months from the Commencement Date. Any Pre-Existing Condition that was not disclosed to Us after the twelve (12) months will be handled in accordance with Schedule 9 of the Islamic Financial Services Act 2013.

4.2.4 Limitation

4.2.4.1 If You suffer from TPD, We shall pay the TPD Benefit under this Certificate and any other Certificates that You have with Us.

4.2.4.2 The benefit due under TPD Benefit and any other benefits due for TPD under this Certificate and any other Certificates that You have with Us covering You is:

- (a) less than or equal to RM1,000,000, We shall pay it in one lump sum; or
- (b) more than RM1,000,000, We shall pay:
 - i. a lump sum payment of RM1,000,000; and
 - ii. the balance of the benefits in one lump sum due on the first anniversary of Your TPD as long as We receive proof of Your continued TPD. However, if You die before the first anniversary of the TPD, We shall pay the balance of the benefit to the entitled person(s) upon notification of death.

4.2.4.3 The maximum amount payable by Us to You under this Certificate and all other Certificates will not exceed RM4,000,000 in respect of all TPD Benefit.

4.2.5 Conditions

4.2.5.1 You must send written notification of any claim for TPD Benefit to Our head office in Kuala Lumpur within sixty (60) days from the date of disability. If You fail to do this, it will not affect Your claim as long as You can show that the notice was not reasonably possible to be given within sixty (60) days and was given as soon as possible.

4.2.5.2 The admission of any claim for TPD Benefit shall be subject to proof of diagnosis of You becoming total and permanent disablement that is satisfactory to Us and such proof must be furnished to Us:

- (a) during Your lifetime;
- (b) not exceeding one hundred eighty (180) days of the start of the disability; and
- (c) at Your own expense.

We may reject any claim if You do not meet the above conditions.

4.2.5.3 If the benefit payable under the TPD Benefit requires recurring payout, on each anniversary of the disability date, You must:

- (a) send Us proof of Your continued TPD; and
- (b) undergo a medical examination carried out by a registered medical practitioner We have appointed, upon Our request (if any).

4.2.5.4 We may decide the frequency of such medical examination. If You do not give Us this proof, or if You refuse or fail to have a medical examination done upon Our request, then the benefit shall immediately cease on the date of Our request.

5 YOUR OPTIONS

5.1 While the Certificate is in force, subject to You getting Our approval by filling in the relevant application form, You may change the initial instruction such as Your occupation and smoking status as defined in the Schedule 1. These changes may result in Your Contribution to change.

5.2 Surrender

5.2.1 You may surrender Your Certificate at any time that You wish.

5.2.2 If You choose to surrender Your Certificate after the Free Look Period, there will be no amount payable to You. Your protection will continue until the next Certificate Anniversary following Your notification of surrender.

6 TABARRU` DEDUCTION AND CHARGES

6.1 Wakalah Charge

6.1.1 We will deduct *Wakalah* Charge from each Contribution received. The percentage of amount deducted for *Wakalah* Charge, which will be applied on the Contribution, is stated in Schedule 2.

6.2 Processing Charge

6.2.1 A processing charge may be required if We allow You to exercise any of Your option contained in this Certificate.

6.3 Tabarru` Deduction

6.3.1 We will deduct *Tabarru`* Deduction for the Basic Benefits and place it into the *Tabarru`* Fund. The amount of *Tabarru`* Deduction is stated in Schedule 2.

6.4 The *Tabarru`* Deduction and charges are not guaranteed. We may revise the *Tabarru`* Deduction and charges by giving a ninety (90) day notification to You. The revision to the *Tabarru`* Deduction and charges will be effective at the next Certificate Anniversary after the notification. If the next Certificate Anniversary falls within ninety (90) days from the date of Our notification, the revision to the *Tabarru`* Deduction and charges will be effective at the following Certificate Anniversary.

7 LAPSE

7.1 Should You fail to pay the Contribution within the grace period of thirty (30) days from the Contribution Due Date, the Certificate will lapse and no longer be in force.

8 REVIVAL

8.1 No revival is allowed upon lapse of the Certificate.

9 GENERAL

9.1 Incontestability and Misrepresentation

9.1.1 Other than the exclusions set out in Section 4, Section 9.1.2 or any other provisions set out in this Certificate, the validity of Your Certificate shall be indisputable after it has been in force for more than two (2) years from the Commencement Date.

- 9.1.2 If this Certificate has been in force for a period of more than two (2) years from the Commencement Date, it shall not be avoided by Us based on the statement(s) made or which has not been made;
- (a) in the proposal stage; or
 - (b) in a report of a doctor referee, or any other person; or
 - (c) in a document leading to the issue of this Certificate
- that is inaccurate or false or misleading. However, Your Certificate may be avoided if We are able to show that the statement was on a material matter or You have suppressed a Material Fact (set out in Section 9.1.3) and that it was dishonestly made or suppressed by You.
- 9.1.3 For clarification purpose, "Material Fact" means a matter of fact which, if known by Us, would have led to Our refusal to issue this Certificate or would have led to a Certificate to be issued with different terms and conditions.
- 9.1.4 In the event of a misrepresentation where Your Certificate has been in force for a period of two (2) years or less, it shall be handled in accordance with Schedule 9 of the Islamic Financial Services Act 2013, whereby it may result in the following:
- (a) Your Certificate being avoided and all claims refused; or
 - (b) a variation of terms of this Certificate; or
 - (c) a change in Your contribution amount; or
 - (d) any other options that are appropriate based on the misrepresentation.
- 9.2 **Free Look Period**
- 9.2.1 You may request to cancel Your Certificate within fifteen (15) days from the Commencement Date. Likewise, to protect or advance the interests of You and Our other customers fairly, We may cancel Your Certificate within fifteen (15) days from the Commencement Date
- 9.2.2 In such event and after the refund of Contribution as shown in Schedule 1, We will cancel this Certificate.
- 9.3 **Notifications**
- 9.3.1 All notifications from Us will be in writing and will either be mailed electronically or be made available in PruBSN Touch. We may give You notice by text message or any other method, if We feel the circumstances are appropriate. If notice is sent by e-mail, text message or any other method, it shall be treated as a written notice and served on the next business day after sending.
- 9.3.2 Likewise, all notifications shall be sufficiently served to Us in writing. They shall only be treated as served if professionally delivered, or sent by registered post addressed to Our head office in Kuala Lumpur, or they are sent to Us in the form We decide, and We actually received them. You must quote the Certificate Number shown in Schedule 1 in any notices and/or claims for them to be valid.
- 9.3.3 For general notification concerning all participants, it will be considered sufficient if it is communicated through advertisement in two (2) major newspapers or through Our website.
- 9.4 **Notification of Confirmation**
- 9.4.1 If We issue a notification of confirmation, We will consider the content of the notification are correct unless there is an obvious error or You complain to Us about it within fourteen (14) days of the date of the notification of confirmation.

- 9.5 **Taxes**
- 9.5.1 In the event that any tax is made payable under the laws of Malaysia, We will be entitled to collect from You an amount equal to the tax payable at the prevailing rate on the applicable portion of Your Certificate.
- 9.5.2 Your obligation to pay tax will form part of the terms and conditions of Your Certificate.
- 9.6 **Claim**
- 9.6.1 Before We pay any claim under this Certificate, We may request for additional document(s) including legal documents to process and approve the claim.
- 9.7 **Basis of this Certificate and Reservation of Rights**
- 9.7.1 We provide the benefits under this Certificate once the relevant contributions are paid.
- 9.7.2 All statements and information that You have provided must be true and accurate. Any misstatement, misrepresentation or suppression of information will be treated in the manner as set out in Section 9.1.
- 9.7.3 To protect or advance the interests of You and Our other customers fairly, We may cancel the Certificate if the event under Section 9.7.2 occurs.
- 9.8 **Termination**
- 9.8.1 This Certificate will end automatically:
- (a) on the next Certificate Anniversary following Your notification of surrender; or
 - (b) on the day immediately after the Expiry Date of the Death Benefit shown in Schedule 2; or
 - (c) when You die; or
 - (d) upon cancellation as stated in Section 9.7.3; or
 - (e) when the Certificate is lapsed as stated in Section 7;
 - (f) when We have paid the Amount of Benefit for TPD Benefit shown in Schedule 2 in full;
- whichever happens first.
- 9.8.2 If We terminate this Certificate, it shall not affect any claim that has occurred before the termination of this Certificate.
- 9.8.3 All the *Wakalah* Charges paid which form part of the contribution due will not be refunded upon termination.
- 9.9 **Changes to the Certificate**
- 9.9.1 We may change any Section(s) in the Certificate, which may be required because of any law, regulation, rule or policy imposed by any relevant authority in Malaysia.
- 9.9.2 We may change any term(s) in the Certificate which would not have any impact to Your rights and benefits under the Certificate. Notice of the change will be given to You by way of general notification.
- 9.10 **Renewal of Certificate**
- 9.10.1 This Certificate will be renewed annually at each Certificate Anniversary so long the Contribution is paid by You in accordance to Section 2.