

HSBC  **AMANAH**
T a k a f u l

HSBC Amanah Takaful (Malaysia) Sdn. Bhd.
(Company No. 731530-M)

**SME FLEXI - COVER PLUS
CERTIFICATE**

Please read this Certificate carefully. (Version as at: Jan 2012)

This is a General Takaful plan managed by HSBC Amanah Takaful (Malaysia) Sdn. Bhd.

Takaful is a mutual assistance scheme based on the spirit of brotherhood and solidarity where participants like you agree to assist each other financially in case of certain defined needs. With this intention in mind, a portion of your contribution will be credited to the General Risk Fund on the basis of Tabarru (donation).

This General Takaful plan is managed in accordance to the Shariah principles guided by our Shariah Committee.

In consideration of your participation and contribution, we hereby contract with you on the terms, conditions and benefits as stated in this Certificate. No variations or changes to the terms of this Certificate shall come into force unless effected by an endorsement issued by us. The relationship between all participants and HSBC Amanah Takaful (Malaysia) Sdn. Bhd. is governed by this Certificate on Wakalah basis.

The Certificate attached describes the terms of this plan in full. Please read it carefully to ensure that it meets your requirements.

For and on behalf of
HSBC Amanah Takaful (Malaysia) Sdn. Bhd.

Executive Director & Chief Executive Office

TABLE OF CONTENTS

<u>NO</u>	<u>TOPIC</u>	<u>PAGE</u>
1.	Certificate Information Statement	4
2.	General Risk Fund and Surplus Distribution	5
3.	Definitions	6
4.	Part I Schedule of Benefits	7
5.	Part II Clauses	14
6.	Part III General Exclusions	15
7.	Part IV General Conditions	16

A. Certificate Information Statement

1. You may pay your contribution to us:
 - 1.1 at any branch of HSBC Bank Malaysia Berhad ("HSBC Bank"); or
 - 1.2 by credit card or auto debit - arrangements for this can be made at any HSBC Bank branch.
2. You may decline this Certificate by returning it to us within 15 days from the date this Certificate is delivered to you. If you do so, we will cancel this Certificate and refund your contribution.
3. You have to inform us and provide us with the relevant documents immediately to ensure our services to you are not interrupted if there is any change in your address or contact number.
4. You have to strictly observe the following conditions precedent before we pay or continue to pay the benefits under this Certificate:
 - 4.1 You must notify us as soon as possible but not later than Thirty (30) days after any incident which may entitle you to claim under this Certificate; and
 - 4.2 You must submit all the relevant documents and information which we require within Thirty (30) days of the event giving rise to the claim.
5. You may, if you wish to dispute any decision of ours arising from this Certificate, refer a matter to:
 - 5.1 HSBC Amanah Takakul (Malaysia) Sdn. Bhd.
Complaint Unit
P.O. Box 13343, 50806 Kuala Lumpur, Malaysia
Tel: 1-800-88-9659, Fax: 03-20310833
 - 5.2 The Financial Mediation Bureau
25th Floor, Dataran Kewangan Darul Takaful
No. 4, Jalan Sultan Sulaiman
50000 Kuala Lumpur;
Tel : 03 - 2272 2811
Fax : 03 - 2274 5752
 - 5.3 Consumer & Market Conduct Department
Bank Negara Malaysia
Jalan Dato Onn
50480 Kuala Lumpur
Tel : 03 - 2698 8044
Fax : 03 - 2691 4086

We advise you to contact them before giving written complaint of the matter.
6. If you have any inquires or wish to obtain any further information on Takaful, you may contact BNMLINK and BNMTELELINK. The contact details for BNMLINK and BNMTELELINK are:-
 - 6.1 BNMLINK
Jabatan Komunikasi Korporat
Bank Negara Malaysia
P.O Box 10922
50929 Kuala Lumpur
Tel: 03-26988044 extensions 8950/8951
Fax: 03-21 741 51 5
 - 6.2 BNMTELELINK
Tel: 1-300-88-5465 (LINK)
E-mail: bnmtelelink@bnm.gov.my

BNMLINK and BNMTELELINK operating hours are from:
Monday - Friday, 9.00am - 5.00pm
7. We can be reached at 1-800-88-9659. You can also fax us at 03-2031 0833 or write us at P.O. Box 13343, 50806 Kuala Lumpur. We are committed to delivering the highest level of service. We welcome any comments about our services and shall deal with your feedback quickly.

B. General Risk Fund and Surplus Distribution

1. The contribution paid (less Wakalah fee) for this Certificate will be allocated into the General Risk Fund.
2. The General Risk Fund is for the collective benefit of all its participants and provides a means of financial protection through the principles of Takaful.
3. We will manage the General Risk Fund in accordance to principles of Shariah and will avoid investing the assets of the General Risk Fund in securities and assets prohibited by Shariah.
4. All costs, expenses, charges and levies for maintaining and investing the assets of the General Risk Fund and any other related expenses shall be borne and paid from the General Risk Fund. Stamp duty payable will be deducted from the General Risk Fund.
5. We are authorised and may secure retakaful / reinsurance as we deem necessary in respect of the General Risk Fund / Takaful coverage granted under this Certificate. All proceeds (if any) from the retakaful / reinsurance arrangements will be credited to the General Risk Fund.
6. In conformity with Shariah rulings, we are liable for any proven loss to the assets of the General Risk Fund if such loss is due to our failure to observe provisions of this Certificate.
7. The assets and liabilities of the General Risk Fund will be valued at the end of each financial year and actuarial principles will be applied to assess the surplus arising. Claims payments and provisions, retakaful / reinsurance costs, technical reserves, stabilisation reserves and any deficits brought forward will be taken into account when calculating any surplus arising.
8. We will strive to manage the General Risk Fund to minimise inherent risks while maximising the surplus by applying prudent underwriting policies.
9. As a reward for managing and administering the General Takaful Fund, we are entitled to an incentive fee which comprises of 50% of any surplus distributable. The balance 50% on any surplus distributable will be distributed to eligible participants.
10. If the General Risk Fund is in deficit, we will grant interest free financing (Qard) from our shareholders' funds to rectify the deficit. Future surplus distributable in the General Risk Fund will be used to reimburse us for such financing before the distribution of any surplus to the participants and us.
11. If the surplus payable to the Covered Participant is less than or equal to RM10, it will be donated to a selected charitable organization approved by the Takaful Operator's Shariah Committee.
12. Under this plan, the Wakalah Fee is fixed at a percentage outlined below for each contribution.
 - a) CRIME AND ASSET - Section 1
Increased Cost of Working - 50%
 - b) CRIME AND ASSET - Section 2
Burglary - 48%
 - c) CRIME AND ASSET - Section 3
Money - 48%
Personal Assault - 48%
 - d) CRIME AND ASSET - Section 4
Plate Glass - 48%
 - e) LIABILITY - Section 5
Public Liability - 48%
 - f) LIABILITY - Section 6
Employer's Liability - 48%
 - g) FIRE
50%

SME Flexi-Cover Plus / Fire Takaful*

**where applicable*

C. Definitions

In this Certificate, unless there is something inconsistent in the subject or context, the words in bold below shall have the corresponding meanings:

Business

The usual work and activities carried on by you as specified in the Schedule.

Business Premises

Your usual place of work and where your business activities are carried on as specified in the Schedule.

Contribution

The amount stated as contribution in the Schedule.

Employee(s)

Any person under a contract of service or apprenticeship with you.

Excess

The first amount that you have to pay towards each claim.

General Risk Fund

The General Risk Fund managed by HSBC Amanah Takaful (Malaysia) Sdn. Bhd. for the benefit of all its eligible participants.

Incident

Any event which might lead to a claim.

Period of Takaful

The length of time for which the Takaful protection will be effective as prescribed in the Schedule.

Proposal or Statement of Fact

The Proposal which you have signed or statement of fact which contains information which you gave us and any other information that you have given to us. This includes information given on your behalf.

Schedule

The Schedule is part of this Takaful arrangement and contains, amongst other things, your details, and other item(s) that is/are included in the Schedule, the Period of Takaful protection and the endorsements, clauses and warranties of this Certificate wording whichever applies.

Stock in Trade

Raw materials, components and parts, partially finished goods and finished goods.

Contents

Business appliances and equipment, excluding any form of Portable Telecommunication Equipment, but including furniture, fixtures and fittings belonging to or for which you are legally responsible.

'Portable Telecommunication Equipment' shall mean laptops, mobile phones, PDAs, pagers and the like.

Sum Covered

The maximum amount that is payable under this Certificate for the applicable benefit as prescribed in the Schedule.

Tabarru

An Arabic word which means "donation, gift or contribution". In this Certificate, this means donation for the purpose of participating in the General Risk Fund.

Takaful/Takaful arrangement

A scheme based on brotherhood, solidarity and mutual assistance which provides for mutual financial aid and assistance to you in case of need whereby you mutually agree to contribute for that purpose.

Wakalah

The appointment by one party of another to act on his /her behalf. In the context of this Certificate, you are deemed to have appointed us to manage the General Risk Fund on your behalf.

We, our, us, Takaful Operator

HSBC Amanah Takaful (Malaysia) Sdn. Bhd.

You, your, yours

The Participant named in the Schedule. Any word denoting a person shall include a natural person, company, corporation, partnership, association, any two or more persons having joint or common interest or any other legal or commercial entity or undertaking.

SME Flexi-Cover Plus

D. The Certificate

This Certificate, Schedule and any endorsements thereon shall be considered one document and any word or expression to which a specific meaning has been attached in any of them shall bear such meaning throughout.

Whereas you by a Proposal and declaration, which shall be the basis of this Certificate, have applied for Takaful and we have agreed to provide such Takaful protection.

In consideration of the payment of the Contribution, we undertake and agree, subject to the provisions of the Certificate, to indemnify you in respect of your Business at the Business Premises to the extent and in the manner set out in the respective sections of this Certificate for events occurring during the Period of Takaful.

If you are covered for Takaful Fire as prescribed in the Schedule, then this SME Flexi Cover Plus Certificate must be read together with the Takaful Fire Certificate. If there is any ambiguity between this Certificate and the Takaful Fire Certificate, the latter shall prevail.

PART I SCHEDULE OF BENEFITS
--

CRIME AND ASSET Section 1 Increased Cost of Working
--

This Section is applicable if the Business Premises is covered for Takaful Fire as prescribed in the Schedule.

Cover

If your Business at the Business Premises is interrupted as a result of loss of or damage to property covered under the Takaful Fire Certificate, we will indemnify you in respect of the Increased Cost of Working caused by the interruption up to the Sum Covered prescribed in the Schedule.

Definitions

1. 'Increased Cost of Working' shall mean the additional expenditure necessarily and reasonably incurred by you during the Indemnity Period with the aim of maintaining in that period a turnover of business not exceeding that of the corresponding period in the twelve (12) months immediately prior to the interruption.
2. 'Indemnity Period' shall mean the period beginning with the loss or damage causing the interruption and ending not later than twelve (12) months thereafter during which the Increased Cost of Working shall be incurred in consequence of the interruption.

3. 'Time Excess' shall mean the initial loss period that you have to bear on your own for each claim.

Extension Clauses applicable to Section 1

1. Accountants' Fees Clause

Notwithstanding the provision of paragraph 4 of the General Conditions, we shall pay for the charges of professional accountants up to RM25,000 in respect of any one occurrence necessarily and reasonably incurred for producing information required by us for the purpose of dealing with a claim under Section 1.

2. Denial of Access

We will pay for the Increased Cost of Working resulting from the total hindrance of access to or use of the Business Premises in consequence of the loss of or damage to the neighbouring property of the Business Premises directly caused by any peril covered under the Takaful Fire Certificate provided that such hindrance or prevention of access is for a continuous period of more than 48 hours.

Our maximum liability shall not exceed RM15,000 in respect of any one occurrence.

3. Failure of Public Utilities

We will pay for the Increased Cost of Working resulting from interruption of or interference with the Business in consequence of the loss of or damage to property covered directly caused by any peril covered under the Takaful Fire Certificate issued by us to you. It shall be deemed to be a loss resulting from damage to property covered, if the loss is as a result of the failure of the following:

- 1) generating station(s) or substation(s) of a public electricity supply undertaking from which you obtain electricity;
- 2) land based premises of a public gas supply undertaking from which you obtain gas; or
- 3) water works or pumping station of a public water supply undertaking from which you obtain water.

For the purposes of the paragraph above, such failure:

- i) shall have to be for a continuous period of more than 48 hours; and
- ii) must not have been the result of a deliberate act of the government or local authority or supply authority not performed for the sole purpose of safeguarding life or protecting any part of the supply undertaking's system or by the exercise by any such authority of its power to withhold or restrict or ration supply not necessitated solely by damage to the supply undertaking's generating or supply equipment by a covered peril.

Our maximum liability shall not exceed RM15,000 in respect of any one occurrence.

4) Seasonal Increase

Coverage under Section 1 is extended to provide automatic additional cover for Stock in Trade, if any, prescribed in the Takaful Fire Section of the Schedule for the following festivals:

- a) Hari Raya Aidil Fitri;
- b) Hari Raya Aidil Adha;
- c) Chinese New Year;
- d) Deepavali; and
- e) Christmas.

Subject to all provisions of the Takaful Fire Certificate being observed, Our liability under Section 1 shall be limited to an additional 25% of the Sum Covered prescribed in the Schedule for Stock in Trade.

Furthermore, it is hereby understood and agreed that the coverage provided will only be in force during the following specified periods:

- i) Thirty (30) days immediately prior to the published festival commencement date;
- ii) The festival date(s); and
- iii) Ten (10) days immediately following the end of the published festival completion date.

5. Exhibition Clause

Coverage under Section 1 is extended to cover Contents and Stock in Trade, if any, whilst at any exhibition venue in Malaysia including direct transit to and from such exhibition venue.

Our liability shall not exceed RM100,000 any one exhibition venue.

Coverage under this clause will only be applicable to Contents and Stock in Trade contained in a fully enclosed building of brick or concrete construction.

Conditions applicable to Section 1

If your Business is wound up or carried on by a liquidator or a receiver or permanently discontinued at any time after the commencement of this Certificate, the cover will lapse and we

CRIME AND ASSET Section 2 Burglary

Cover

This Certificate will cover you during the Period of Takaful for loss or damage to your Contents, Stock in Trade and Personal Effects as a result of theft or any attempt thereat following upon an actual forcible and violent entry or exit of the premises by the person or persons committing such theft. We will indemnify you through payment or at our option, repair, reinstate or replace any property up to the Sum Covered prescribed in the Schedule.

Definitions:

1. 'Contents' shall mean Business appliances and equipment, excluding any form of Portable Telecommunication Equipment, but including furniture, interior decorations, fixtures, fittings, fixed glass and mirrors located at the Business Premises belonging to or for which you are legally responsible.

'Portable Telecommunication Equipment' shall mean laptops, mobile phones, PDAs, pagers and the like.

2. 'Stock in Trade' shall mean raw material, components and parts, partially finished goods and finished goods.
3. 'Personal Effects' shall mean articles of a personal use designed to be worn or carried but excluding:

- a) money (as defined in Section 3);
- b) contact lenses;
- c) binoculars and telescopes; and
- d) musical instruments, radios, televisions, videos, audio equipment and any form of Portable Telecommunication Equipment.

Extensions applicable to Section 2

1. Loss of or damage to Personal Effects belonging to your directors, owners, partners or Employees at the Business Premises:

Up to RM1,000 per person and up to RM5,000 in respect of any one occurrence.

2. Loss of or damage to Contents whilst temporarily removed from the Business Premises to any place within Malaysia:

Up to 10% of the Sum Covered prescribed in the Schedule under Section 2 in respect of any one occurrence.

3. The cost of reinstating or reproducing any documents, deeds, maps, plans and records but not their intrinsic or other value in the event such documents are lost or damaged whilst in transit from the Business Premises to any location in Malaysia:

Up to 10% of the Sum Covered prescribed in the Schedule under Section 2 in respect of any one occurrence.

4. Damage to roller shutter doors owned by you or for which you are legally responsible, located at the Business Premises:

Up to 25% of the Sum Covered prescribed in the Schedule under Section 2 in respect of any one occurrence.

5. Loss of or damage to computer systems and records. Cover is limited to the cost value of materials together with the cost of clerical labour used in reproducing lost records:

Up to 10% of the Sum Covered prescribed in the Schedule under Section 2 per item in respect of any one occurrence.

6. Exhibition Clause

Coverage under Section 2 is extended to cover the Contents and Stock in Trade whilst at any exhibition venue in Malaysia including direct transit to and from such exhibition venue.

Provided that our liability is limited to 25% of the Sum Covered prescribed in the Schedule at any one exhibition venue.

Coverage under this Clause will only be applicable to Contents and Stock in Trade contained in a fully enclosed building of brick or concrete construction.

7. Seasonal Increase

Coverage under Section 2 is extended to provide automatic additional cover for Stock in Trade, if any, prescribed in the Takaful Fire Section of the Schedule for the following festivals:

- a) Hari Raya Aidil Fitri;
- b) Hari Raya Aidil Adha;

- c) Chinese New Year;
- d) Deepavali; and
- e) Christmas.

Subject to all provisions of the Burglary Section being observed, Our liability for Seasonal Increase under Section 2 shall be limited to an additional 25% of the Sum Covered prescribed in the Schedule for Stock in Trade. Furthermore, it is hereby understood and agreed that the coverage provided will only be in force during the following specified periods:

- i) Thirty (30) days immediately prior to the published festival commencement date;
- ii) The festival date(s); and
- iii) Ten (10) days immediately following the end of the published festival completion date.

Conditions applicable to Section 2

1. All keys shall be removed from your Business Premises by you or persons authorised by you and retained in his/her custody until the Business Premises is reopened for business.
2. For the purpose of this cover, this Certificate applies only to the business described in the Schedule and not any other.

Exclusions Applicable to Section 2

We shall not be liable for:

1. loss or damage to deeds, bonds, bills of exchange, promissory notes, money or securities for money, stamps, coin or stamp collections, plans, patterns, models, moulds, designs, documents of title to property, contracts or other documents or business books or manuscripts unless the same be specifically covered;
2. loss of or damage to the property covered:
 - (a) by you in collusion with any of your family or your Employees
 - (b) or any person lawfully on the Business Premises;
3. loss or damage to coin and similarly operated gaming and/or amusement machines;
4. any shortage arising from error or omission on your part and/or your Employees;
5. shoplifting;
6. loss arising from the infidelity or dishonesty of Employees;

7. loss or damage caused by or consequent upon fire, explosion, flood or storm;
8. any consequential loss; or
9. the first amount of RM250 being the Excess in respect of each and every loss or damage.

Limits of Liability

Our maximum liability under Section 2 and its extensions and extension clauses shall not exceed the Sum Covered prescribed in the Schedule. However, our maximum liability will be increased by 25% of the Sum Covered prescribed in the Schedule, during those periods specified under the Seasonal Increase extension in Section 2 of this Certificate.

CRIME AND ASSET Section 3 : Money and Personal Assault

Cover

We shall indemnify you against the loss of Money and loss or damage to safe, drawers, and cabinets during the Period of Takaful up to the Sum Covered under Section 3 as prescribed in the Schedule.

Definitions:

For the purpose of this Certificate:

1. 'Money' shall mean cash, bank and currency notes, cheques, postal and money orders current postage and revenue stamps being your property or for which you are legally responsible.
2. 'In Transit' shall mean Money in direct transit in your custody or of your Employees authorised by you.
3. 'Business Hours' shall mean the usual hours during which you transact or are open for business at the Business Premises.
4. 'Permanent and Total Disablement' shall mean your Employee's complete inability after one year from the date of the occurrence to engage in any substantially gainful occupation or employment without hope of recovery.
5. 'Loss of limb' shall mean loss by physical separation at or above the wrist or ankle joint.
6. 'Loss of Sight' shall mean the total and irrecoverable loss of all sight of an eye or eyes rendering the injured person absolutely blind beyond remedy by surgical or other treatment.

Cover includes:

1. Loss of Money whilst:

- a) In Transit during business hours;
- b) at the Business Premises during business hours;
- c) at the Business Premises out of business hours in a locked safe or strong room;
- d) at the Business Premises out of business hours not in a locked safe or strong room:

limited to 20% of the Sum Covered prescribed in the Schedule under Section 3 in respect of any one occurrence; and

- e) In Transit to and from and whilst at the residence of your authorised Employee:

limited to 10% of the Sum Covered prescribed in the Schedule under Section 3 in respect of any one occurrence.

2. Damage to safes caused by theft or attempted theft:

limited to 25% of the Sum Covered prescribed in the Schedule under Section 3 in respect of any one occurrence.

Extensions Applicable to Section 3

In addition to the cover specified above, Section 3 provides cover for:

1. Employee Dishonesty

Loss of up to 10% of the Sum Covered under Section 3 per occurrence due to fraud or dishonesty by any of your Employees discovered within three (3) working days of the occurrence provided that the aggregate limit during any one Period of Takaful is limited to RM5,000.

2. Personal Assault

We will provide compensation for injury sustained by any Employee aged between 18 and 65 solely as a result of actual or attempted robbery or hold up which occurs while the Employee is engaged in the Business, as per the following table of benefits:

	Coverage	Compensation
a	Death	RM50,000
b	Permanent and Total Disablement	RM50,000
c	Loss of both limbs	RM50,000
d	Loss of sight of both eyes	RM50,000
e	Loss of 1 limb and sight in 1 eye	RM50,000
f	Loss of limb or sight in 1 eye	RM25,000

Conditions Applicable To Section 3

1. You shall take all reasonable precautions to prevent loss and damage.
2. The keys to all safes in which Money is kept shall be removed from your Business Premises by you or persons authorised by you and retained in his/their custody until your Business Premises is reopened for business.
3. You shall keep proper written records of all Money covered and we have the right to inspect such records.
4. Compensation paid for injuries to a single Employee shall not exceed RM50,000 in the aggregate.
5. In the event of injury the injured person must obtain and follow the advice of a qualified and registered medical practitioner designated by us.
6. We reserve the right to require you or your Employees to be examined at any time by qualified and registered medical practitioner designated by us.

Limits of Liability

Our maximum liability under Section 3 shall not exceed the Sum Covered prescribed in the Schedule.

Exclusions Applicable to Section 3

We shall not be liable for:

1. any loss caused by depreciation in value, currency fluctuation, dishonoured cheques or the use of counterfeit money;
7. shortage due to clerical or accounting error or omission and not identifiable with specific occurrence covered against under the terms of Section 3;
3. any loss from an unlocked and/or unattended vehicle;
4. any loss or damage occurring outside Malaysia;
5. any loss of Money entrusted to any person other than you or an Employee of yours;
6. any shortage of Money due to error or omission;
7. any loss during or due to transit by post;
8. any loss of Money contained in a coin and similarly operated gaming and/or amusement machine;
9. any loss arising from fraud or dishonesty of any of your Employees not discovered within three (3) working days of the occurrence; or
10. the first amount of RM250 being the Excess in respect of each and every loss of Money.

CRIME AND ASSET Section 4 : Plate Glass

Cover

This Certificate will indemnify you in the event of breakage of plate glass at the Business Premises occurring during the Period of Takaful and subject to the provisions contained herein or endorsed hereon, we will pay for or make good to you for such breakage and will pay the reasonable cost of boarding up rendered necessary by such breakage.

Limits of liability

Our maximum liability under Section 4 shall not exceed RM5,000 for each and every loss or damage and RM20,000 in respect of any one Period of Takaful.

Exclusions Applicable To Section 4

We shall not be liable for:

1. interruption or delay of business or damage of any kind during the time intervening between the occurrence of a breakage and the replacement thereof;
2. any cost or charges incurred in the removal of debris or any signages, writings or decorations on the damaged glass;
3. breakage of glass that is not completely and securely fixed and glazed in good condition at the location prescribed in the Schedule;
4. breakage or loss occasioned by or happening through flood, earthquake, subterranean fire, volcanic eruption, hurricane, tornado, cyclone or other convulsion or nature or atmospheric disturbance;
5. breakage or loss occasioned by or happening through explosion;
6. breakage or loss covered by a Fire Insurance policy or Fire Takaful Certificate; or
7. the first amount of RM250 being the Excess in respect of each and every loss or damage.

LIABILITY Section 5 : Public liability

Cover

We will indemnify you against liability for accidental bodily injury caused to any person other than your Employee and for accidental loss of or damage to property not owned or held in trust by you or any Employee of yours or in your care, custody or control caused by your negligence or of your Employees occurring within Malaysia in connection with the Business provided that our liability for all compensation payable in respect of or arising out of any

one occurrence or in respect of or arising out of all occurrences or a series of occurrences on or attributable to one source or original cause shall not exceed the Sum Covered as prescribed in the Schedule.

In addition, in respect of a claim to which the indemnity expressed in Section 5 applies, we will pay:

- a) all reasonable costs and expenses recovered by any claimant from you; and
- b) all reasonable costs and expenses incurred by you with our written consent.

Such costs and expenses are payable in addition to the limit of liability as stated in the Schedule.

Definitions

1. 'Injury' shall mean death, bodily injury and shall include mental injury, anguish, shock, and includes injury caused by false arrest, invasion of the right of privacy, detention, false imprisonment and false eviction.
2. 'Damage' shall include loss.
3. 'Property' shall mean physical property.
4. 'Business' shall include, for the purpose of Section 5 only, the provision and management of canteens, social sports and welfare organizations for your Employees and internal first aid, fire and ambulance services.
5. 'Resident' shall mean local Malaysian citizens and expatriates with a six (6) month continuous working permit in Malaysia.

Extensions applicable to Section 5

1. Food and/or Drinks Poisoning Clause

We will cover your liability arising out of any claim made in respect of poisoning of any kind arising from food and/or drinks sold or supplied by you to any patrons or visitors provided you shall at all times take every possible precaution to prevent any food and/or drinks from deterioration, to ensure that they are free from contamination and fit for human consumption.

Our limit of liability in respect of any one occurrence and in aggregate during any one Period of Takaful shall not exceed the Sum Covered as prescribed in the Schedule.

2. Independent Contractors Liability Clause

We will cover all sums which you shall become legally liable to pay as compensation for bodily injury or damage to property arising out of or caused by or in

connection with the alteration of and/or addition to the Business Premises, provided that the contract value of such alteration of and/or addition shall not exceed RM50,000. We shall not be liable for any claim which is recoverable under any other third party liability insurance or Takaful or of any Contractors' All Risks insurance policy or Takaful certificate held by you or your contractors.

3. Overseas Visits Clause

The indemnity provided under Section 5 shall extend to include the legal liability caused by the negligence of your Employee arising from business visits outside Malaysia in connection with your Business provided that such personnel is Resident in Malaysia.

4. Signboard Liability Clause

We will cover all sums which you shall become legally liable to pay as compensation for bodily injury or damage to property arising out of or caused by or in connection with your neon signs or advertising signs, at any location, provided that the signs are fixed in a legally approved position and that they are maintained in a safe condition.

5. Tenant's Liability Clause

We will cover your liability as a tenant for claims made against you for loss at the Business Premises caused by:

- a) fire explosion;
- b) water which leaks, overflows or is discharged from any water system installed at the Business Premises;
- c) accidental breakage (excluding scratching, chipping or denting) of fixed glass, wash basins, sinks lavatory pans or cisterns; and
- d) theft or attempted theft by forcible and violent entry to or exit from the Business Premises.

Exclusion Applicable to Section 5

We shall not be liable for:

1. Liability in respect of injury to any person under a contract of service or apprenticeship with you where the injury arises out of and in the course of such person's employment or service with you or for compensation or claim against you by an injured person or dependent under any Workmen's Compensation Act or amendments thereto;

2. Liability assumed by you by an agreement unless such liability would have attached to you in the absence of such agreement;
3. Liability in respect of or arising from damage to any land or property or building caused by vibration or the removal or subsidence or weakening of support;
4. Injury or damage caused by pollution unless due to a sudden unintended and unexpected occurrence;
5. Fines, penalties, or punitive or exemplary damages;
6. Liability arising directly or indirectly from faulty or inferior workmanship;
7. Liability in respect of any accidental injury or damage occurring in the USA or Canada;
8. Liability in respect of loss of or damage to property:
 - (i) belonging to you or in your charge or under your control or the control of any servant or agent of yours; or
 - (ii) being that part of any property or land or building or structure on which you or any servant or agent of yours is or has been working on unless otherwise provided under Extension no. 2 of Section 5;
9. Liability in respect of injury, loss or damage caused by or through or in connection with:
 - a) the ownership or possession or use by or on behalf of you of:
 - (i) any vehicle (or machine) which is capable of self propulsion or attached to a self-propelled vehicle and used in circumstances to which the Road Transport Acts apply;
 - (ii) any vehicle (or machine) which is covered for your benefit under any form of motor insurance policy or motor Takaful certificate; or
 - (iii) any marine vessel and/or motor vehicle, locomotive, craft, crane hoist, or other lifting machinery not specified in the Schedule; or
 - b) remedial or professional or other advice or treatment (other than first aid treatment) given or administered or omitted by you; or
 - c) claims arising in connection with any product supplied other than food and drink supplied to any patron or visitor and/or in canteen sports and social clubs provided by you for the use of your Employees;

10. Liability arising directly or indirectly from libel and/or slander on your part or any Employee; or
11. The first amount of RM250 being the Excess in respect of each and every loss or damage, applicable to third party property damage losses only.

LIABILITY Section 6 : Employer's Liability

Cover

This Certificate will indemnify you against liability at law, to pay compensation and claimant's costs and expenses. If any Employee shall sustain bodily injury by accident or disease caused during the Period of Takaful and arising out of and in the course of employment in the Business, we will pay all costs and expenses incurred with our written consent up to the Sum Covered prescribed in the Schedule.

Definitions

For the purpose of Section 6 of the Certificate:

- a) 'Accident' means an accident or a series of accidents arising out of one event.
- b) 'Disease' means a disease contracted by an Employee of yours due to the nature of his employment with you. Such exposure may extend over a period of time and part of which period may fall outside the Period of Takaful under Section 6 of the Certificate.

Extension Clauses applicable to Section 6

a) Catering Facilities Clause

This Certificate provides cover to Employees whilst using the catering facilities provided by you.

b) Emergency Transportation Clause

We will pay costs for medical assessment and emergency transportation required as a result of serious injury sustained by your Employees arising out of and in the course of their employment provided that the limit of liability shall not exceed RM25,000 in respect of any one accident.

c) Employee-Sports Social & Welfare Activities Clause

If an Employee of yours is accidentally injured whilst participating in any extra-curricular activities organized and sponsored by you, it shall be deemed as arising out of and in the course of your employment.

Conditions applicable to Section 6

1. Avoidance of Certain Terms and Right of Recovery

If we are obliged by law to pay an amount for which we would not otherwise be liable under this Certificate, you shall forthwith repay such amount to us.

2. Waiver of Claims

You shall not become a party to any agreement, the effect of which is that you waive any claim which you would otherwise have against any person in respect of or arising out of any occurrence resulting in liability on your part for which indemnity is provided by this Certificate or whereby any such claim is limited or qualified in any way.

3. Precautions

You shall take all reasonable precautions to prevent Accidents and Disease and shall comply with all statutory requirements and obligations.

4. Right of Inspection

We shall have the right and opportunity at all reasonable times to inspect the works, machinery, plant and appliances used in the Business.

5. Admission of Liability

No admission, offer, promise or payment shall be made by you or on your behalf without our written consent which shall be entitled, if it so desires to take over and conduct in your name, the defence or settlement of any claim or to prosecute in his name for its own benefit any claim for indemnity or damages or otherwise and shall have full discretion in the conduct of any proceedings and in the settlement of any claim and you shall give all such information and assistance as we may require.

Exclusions Applicable To Section 6

We shall not be liable under this Certificate in respect of:

- a) your liability to employees of your contractors;
- b) any liability of yours which may attach by virtue of an agreement but which would not have attached in the absence of such agreement;
- c) any sum which you would have been entitled to recover from any party but for an agreement between you and such party;
- d) your liability to any person who is not an Employee of yours within the meaning of law;

- e) any late payments, surcharges, fines, penalties or punitive aggravated or exemplary damages for which you may become liable under law;
- f) any injury by Accident or Disease attributable to war, invasion, act of foreign enemy hostilities or warlike operations (whether war be declared or not) civil war, mutiny, rebellion, revolution, insurrection or military or usurped power;
- 9) any liability of whatsoever nature directly or indirectly caused by or contributed by or arising from:
 - (i) nuclear weapons material; or
 - (ii) ionizing radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel and for the purpose of this Exclusion, combustion shall include any self-sustaining process of nuclear or nuclear fission;
- h) any injury by accident or disease sustained in the USA or Canada; or
- i) any liability of yours to pay compensation to an Employee or to the legal personal representatives or dependants of an Employee by virtue of any Workmen's Compensation Law.

**PART II
CLAUSES**

1. Contribution Warranty

The Contribution due must be paid and received by us within sixty (60) days from the inception date of this Certificate/endorsement/renewal certificate, for you to enjoy coverage under this Certificate.

If this is not complied with, then this Certificate will be automatically cancelled and we shall be entitled to the pro rata Contribution on the period that you have been on risk.

2. Property Damage Clarification

Property damage covered under this Certificate shall mean physical damage to the substance of the property.

Consequently the following are excluded from this Certificate:

- a) Loss of or damage to data or software, but not limited to any detrimental change in data, software or computer programs that is caused by a deletion, a corruption or a deformation of the original structure, and any business interruption losses resulting from such loss or damage. Notwithstanding this exclusion, loss or damage of data or software, which is the direct consequence of covered physical damage to the substance of property, shall be covered; and

- b) Loss or damage resulting from an impairment in the function, availability, range of use or accessibility of data, software or computer programs, and any business interruption losses resulting from such loss or damage.

3. Criminal Breach Of Trust
(Applicable to Section 2 and 3 Only)

We shall not be liable for any loss or damage caused by or attributed to the act of Criminal Breach of Trust (CBT) by any person within the meaning of the most current definition of the offence of CBT set out in the Malaysian Penal Code. CBT is presently defined in the Penal Code as:

Whoever, being in any manner entrusted with property, or with any dominion over property either solely or jointly with any other person dishonestly misappropriates, or converts to his own use, that property, or dishonestly uses or disposes of that property in violation of any direction of law prescribing the mode in which such trust is to be discharged, or of any legal contract, express or implied, which he has made touching the discharge of such trust, or willfully suffers any other person so to do, commits "criminal breach of trust".

4. Theft By Deception (Cheating)
(Applicable to Section 2 and 3 Only)

We shall not be liable for any loss or damage caused by or attributed to the act of cheating by any person within the meaning of the most current definition of the offence of cheating set out in the Malaysian Penal Code. Cheating is defined in the Penal Code as:

Whoever by deceiving any person, whether or not such deception was the sole or main inducement:

- a) fraudulently or dishonestly induces the person so deceived to deliver any property to any person, or to consent that any person shall retain any property; or
- b) intentionally induces the person so deceived to do or omit to do anything which he would not do or omit to do if he were not so deceived and which act or omission causes or is likely to cause damage or harm to any person in body, mind, reputation, or property.

5. Jurisdiction
(Applicable to Section 5 and 6 Only)

We shall not be liable under this Certificate in respect of judgements against you that are not in the first instance delivered by or obtained from a court of competent jurisdiction in Malaysia.

It is further provided that indemnity shall not be provided for a judgement or order obtained in Malaysia for the enforcement of a judgement obtained elsewhere.

The indemnity provided herein shall not apply to:

- a) Compensation for damages in respect of judgments not delivered obtained from a court of competent jurisdiction within Malaysia; or
- b) Costs and expenses of litigation recovered by any claimant from you, which are not incurred in and recoverable in Malaysia.

PART III
GENERAL EXCLUSION
(Applicable to all Section unless otherwise specified)

We shall not be liable in respect of:

1. Any liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from:
 - a) nuclear weapons materials; or
 - b) ionizing radiations or contamination by radioactivity from any nuclear fuel. For the purpose of this exclusion combustion shall include any self-sustaining process of nuclear fission;
2. Any accident, loss, damage, expense, liability or bodily injury occasioned by or through or in consequence directly or indirectly arising from:
 - a) war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not) or civil war; or
 - b) mutiny, riot, military or popular uprising, insurrection, rebellion, revolution, military or usurped power, martial law or state of siege or any of the events or causes which determine the proclamation or maintenance of martial law or state of siege;

In any action, suit or other proceeding where we allege that by reason of the provisions of this General Exclusion no. 2 any accident, loss, damage, expense, liability or bodily injury is not covered by this Certificate, the burden of proving that such accident, damage, expense, liability or bodily injury is covered shall be upon you.

3. Any accident, loss, damage, expense, liability or bodily injury occasioned by or through or in consequence directly or in directly of confiscation, commandeering, requisition or destruction of or damage to the property covered by order of the Government de jure or de factor or any public, municipal or local authority of the country or area in which the Business Premises is situated;
4. Any liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from pressure waves caused by aircraft and other aerial devices;

5. Consequential loss or damage of any kind except as provided in Part I: Section 1 of this Certificate;
6. Terrorism - notwithstanding any provision to the contrary within this Certificate or any endorsement thereto it is agreed that this Certificate excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss;

For the purpose of this Exclusion, an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group (s) of persons, whether acting alone or on behalf of or in connection with any organization(s) or government, committed for political, religious, ideological or similar purpose including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This Certificate also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism.

If we allege that by reason of this Exclusion, any loss, damage, cost or exclusion that is not covered by this Certificate, the burden of proving the contrary shall be upon you.

In the event that any portion of this Exclusion is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

7. All claims and losses applicable to Sections 5 and 6 which are based upon, arising out of, directly or indirectly resulting from or in consequence of, or any way involving:
 - a) asbestos, or
 - b) any actual or alleged asbestos related injury or damage involving the use, presence, existence, detection, removal, elimination on or avoidance of asbestos or exposure or potential exposure to asbestos.

We shall not be liable for any payment for the investigation or defence of any loss, injury or damage or any cost, fine or penalty or for any expense or claim or suit related to any of the above.

If we allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this Certificate, the burden of proving the contrary shall be upon you.

PART IV GENERAL CONDITIONS

1. This Certificate and the Schedule and any specification (which forms an integral part of this Certificate) shall be read together as one contract and words and expressions to which specific meanings have been attached in any part of this Certificate or of the Schedule shall bear specific meanings wherever they shall appear.
2. You shall exercise all reasonable precautions for the maintenance and safety of the property covered.
3. This Certificate shall be voidable by us in the event of misrepresentation, misdescription or non-disclosure in any material particular by you.
4. If an event occurs which gives or may give rise to a claim under this Certificate, you:
 - a) shall take steps to minimize the loss or damage and recover any missing property;
 - b) shall give notice as soon as possible in writing to us and, at your own expense supply us with full particulars in writing of the loss or damage;
 - c) shall submit all necessary claims documents within thirty (30) days;
 - d) if there has been theft or any attempted theft, shall give notice to the Police as soon as possible;
 - e) shall if a claim arises under Section 5 and/or Section 6, send to us any writ, summons or other legal proceedings issued or commenced against and received by you and shall give all necessary - information and assistance to enable us to settle or resist any claim or to institute proceedings;
 - f) shall not incur any expense in making good any loss or damage without the written consent from us and shall not negotiate, pay, settle, admit or repudiate any claim without such consent; and
 - g) shall at your own expense give us all such records, books of account or documents or other such information as we may reasonable require for investigating or verifying a claim.
5. We or our appointed representatives shall be entitled:
 - a) to enter any building where the loss or damage has happened and to take and keep possession of the property covered and to deal with the salvage in reasonable manner if there is any loss or damage for which indemnity is provided in Part I: Section 1, 2 and/or 3. This Certificate or any copy thereof certified by us shall be proof of leave and license for such purpose but no property may be abandoned to us;

- b) to undertake in your name and on your behalf the absolute conduct, control and settlement of any proceedings instituted by a third party against you or your personal representative in respect of any liability covered by this Certificate;
- c) to take proceedings at our own expense and for our own benefit, but in your name to recover compensation or secure indemnity from any third party in respect of anything covered by this Certificate; and
- d) to pay you at anytime the limit of liability under Part I: Section 5 or any lesser amount for which any claim or claims can be settled and upon such payment we shall relinquish conduct and control of and be under no further liability under Section 5 in connection with such claim or claims except for costs and expenses recoverable from you or incurred with the written consent from us in respect of the conduct of such claim or claims before the date of such payment.
6. If an event occurs giving rise to any loss, damage, expense or liability for which indemnity is provided under this Certificate, and there shall be any other insurance or Takaful against such loss, damage, expense, or liability or any part thereof, we shall not be liable for more than its rateable proportion thereof.
7. If any claim under this Certificate shall be in any respect fraudulent or if any fraudulent means or devices are used by you or any one acting on your behalf to obtain any benefit under this Certificate, all benefits hereunder shall be forfeited.
8. Unless otherwise expressly stated, nothing contained herein shall give any rights against us to any person other than you. Further, we shall not be bound by any passing of your interest otherwise than by the death or operation of law unless and until we shall by endorsement declare the certificate to be continued. The extension of our liability in respect of the property of any person other than you shall give no right of claim hereunder to such person, the intention being that you shall in all cases for and on behalf of such person and the receipt by you shall in any case absolutely discharge our liability hereunder.
9. This Certificate may be cancelled at any time at your request and Contributions shall be adjusted on the basis of we receiving or retaining the customary short term Contribution or minimum Contribution. This Certificate may also be cancelled by us giving thirty (30) days notice in writing to you at your last known address and the Contribution shall be adjusted on the basis of us receiving or retaining pro rata Contribution.
10. All differences arising out of this Certificate, shall be referred to the decision of an arbitrator to be appointed by both parties or if they cannot agree upon a single arbitrator, to the decision of two arbitrators, one to be appointed in writing by each party, and in case of disagreement between the arbitrators, to the decision of an umpire who shall be appointed in writing by the arbitrators before entering on the reference and an award shall be a condition precedent to any of our liability or right of action against us.
11. If we discover or have justified suspicion that this Certificate is exploited for money laundering activities and/or to finance terrorism, we reserve the right to terminate this Certificate immediately. We shall deal with all contributions paid and all benefits/sums payable in respect of this Certificate in any manner which we deem appropriate, including but not limited to handing it over to the relevant authorities.
12. In no case whatsoever shall we be liable for any loss or damage after the expiration of twelve (12) months from the occurrence of the loss or damage unless the claim is the subject of pending action or arbitration.
13. Any word denoting a person shall include a natural person, company, corporation, partnership, association, any two or more persons having joint or common interest or any other legal or commercial entry or undertaking.
- 14 Anti-Money Laundering and Counter Financing of Terrorism**
If **We** discover or have justified suspicion that this Certificate is exploited for money laundering activities, to finance terrorism or if Your instruction / request may lead to a breach of any sanction / law, **We** reserve the right to reject **Your** instruction / request or terminate this Certificate immediately.
- We** may then deal with all contributions paid and all benefits / sums payable in respect of this Certificate in any manner, including but not limited to handing them over to the relevant authorities.
- 15. Consent to Disclose Personal Information**
- a) **You** irrevocably consent and confirm that **We** may use, disclose, transfer or exchange all personal information provided to Us pursuant to this **Takaful** scheme:
- to any companies or agent of HSBC Group;
 - to any third party to facilitate the conduct of **Our** business or the operation of **Our** internal procedures;
 - to Bank Negara Malaysia or any other relevant authority;

- to any third party in respect of the insurance or Takaful Industry for the maintenance of data-bases;
 - statistical analysis, anti-fraud, claim verification or operational matter;
 - to prevent or facilitate the investigation of criminal activities or for fraud detection; and
 - to comply with applicable laws and regulations
- b) You shall keep Us updated of any changes to such Personal Information as soon as practicable. **We** shall not be liable for any direct or indirect loss or damage due to any inaccurate or incomplete Personal Information provided.

