

PRODUCT DISCLOSURE SHEET	ETIQA FAMILY TAKAFUL BERHAD ("Takaful Operator/We/Us/Our")
Please read this Product Disclosure Sheet before you decide to participate in Smart Income. Be sure to also read the general terms and conditions.	Smart Income (This is a Takaful product)
	<Date>

1. What is this product about?

Smart Income is a Takaful endowment plan for retirement savings purpose with limited contribution payment term. It provides yearly cash payment amount with options of payout commencement age and maturity age. It also provides coverage for death, accidental death, compassionate benefit and maturity benefit.

2. What are the Shariah concepts applicable?

a) Tabarru'

This plan applies the Tabarru' (donation) concept, whereby the participant agrees to donate or contribute a specified portion from the contribution paid into the Participants' Risk Fund (PRF) for the purpose of mutual aid and assistance to the participants in case of need.

b) Wakalah

This plan also applies the Wakalah (agency) concept, whereby the participant appoints Us to act on behalf of the participant to invest and manage the Participants' Risk Fund (PRF). Wakalah fee is deducted from the contribution of each certificate. The participant also agrees to authorize Us to delegate Our rights, duties and obligations to any third party as We deem fit for the purpose of achieving the objective to invest and manage the PRF, provided that, in the event of any such delegation, We will remain liable and responsible for all such rights, duties and obligations towards the participant.

c) Participants' Risk Fund (PRF)

The contribution less the Wakalah fee will be paid into the Participants' Risk Fund (PRF) based on predefined ratios. Surplus arising within the PRF makes allowance for contingency provisions and will be distributed according to the surplus policy approved by Our Shariah committee. 50% of any distributed surplus will be shared amongst the participants with in force certificates and who have not made any claim within the financial year. The remaining 50% to be paid to Us for operating and managing the PRF, based on the contract of Ju'alah. Ju'alah is a reward contract that specifies the share of the distribution of surplus on this basis. The amount due to the participant will be reinvested and accumulated in the PIF.

d) Participant's Investment Fund (PIF)

The remaining portion of the contribution will be placed in the PIF.

At the end of each financial year, 85% of any investment profits will be reinvested into the PIF. The balance 15% of the investment profit will be accorded to the Takaful Operator for managing the PIF, based on the contract of Mudarabah. Mudarabah is a mutual contract between Us and the participant for the investment profit. The PIF will be accumulated and will be paid to the participant at the end of the certificate term or upon termination of the certificate.

3. What are the covers / benefits provided?

No.	Coverage / Benefit	Benefit Description
1	Death Benefit	<p>The following will be payable:</p> <ul style="list-style-type: none"> a) Sum covered of RM<sum covered>; or b) Total contribution received by Us less cash payment benefit paid; or c) PRF surrender value; whichever is the highest, and d) Amount in the PIF, if any. <p>The certificate will be terminated upon payment of the death benefit.</p>
2	Accidental Death Benefit	<ul style="list-style-type: none"> 1) If death occurs in Malaysia, Singapore or Brunei, due to accidental causes, an additional 100% of the sum covered is payable, on top of the death benefit. 2) If death occurs in a country other than Malaysia, Singapore and Brunei, due to accidental causes, an additional 200% of the sum covered is payable, on top of the death benefit.

		<p>Note:</p> <p>a) Accidental death benefit for death occurs in a country other than Malaysia, Singapore and Brunei only cover up to 60 consecutive days per trip.</p> <p>b) If the accidental death occurs 60 days later while in a country other Malaysia, Singapore and Brunei, the amount payable is limited to only additional 100% of the sum covered.</p> <p>c) The total sum payable for accidental death benefit is subject to a max of RM1 million under all certificates issued by Us on the same person covered.</p> <p>d) The coverage for accidental death expires at the 69th birthday of the person covered.</p>																								
3	Cash Payment (CP) Benefit	<p>CP benefit will be payable to you yearly. The yearly CP amount increases by 20% after the 10th CP payout, starting from 11th CP payout until the certificate maturity age of <75/85>.</p> <p>Your yearly CP schedule is as below:</p> <p><Note to BA: Only display if CP payment starting from the end of certificate year of age 54 and coverage term until the certificate maturity age of 75 or 85></p> <table><tr><th colspan="2">CP Commencement Age 55</th></tr><tr><th>CP payout Year</th><th>Yearly CP (RM)</th></tr><tr><td>1st – 10th</td><td>RM<CP amount></td></tr><tr><td>11th until maturity</td><td>RM<CP amount></td></tr></table> <p>< Note to BA: Only display if CP payment starting from the end of certificate year of age 59 and coverage term until the certificate maturity age of 75 or 85></p> <table><tr><th colspan="2">CP Commencement Age 60</th></tr><tr><th>CP payout Year</th><th>Yearly CP (RM)</th></tr><tr><td>1st – 10th</td><td>RM<CP amount></td></tr><tr><td>11th until maturity</td><td>RM<CP amount></td></tr></table> <p>< Note to BA: Only display if CP payment starting from the end of certificate year of age 64 and coverage term until the certificate maturity age of 85></p> <table><tr><th colspan="2">CP Commencement Age 65</th></tr><tr><th>CP payout Year</th><th>Yearly CP (RM)</th></tr><tr><td>1st – 10th</td><td>RM<CP amount></td></tr><tr><td>11th until maturity</td><td>RM<CP amount></td></tr></table> <p>This benefit will be payable while the certificate is in force, based on the sum covered or latest endorsed sum covered. This benefit will be terminated upon the death of the person covered.</p>	CP Commencement Age 55		CP payout Year	Yearly CP (RM)	1 st – 10 th	RM<CP amount>	11 th until maturity	RM<CP amount>	CP Commencement Age 60		CP payout Year	Yearly CP (RM)	1 st – 10 th	RM<CP amount>	11 th until maturity	RM<CP amount>	CP Commencement Age 65		CP payout Year	Yearly CP (RM)	1 st – 10 th	RM<CP amount>	11 th until maturity	RM<CP amount>
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4	Compassionate Benefit	Upon death of the person covered, RM5,000 is payable in one lump sum.																								
5	Maturity Benefit	<p>The following will be payable:</p> <p>a) RM<maturity benefit> equivalent to 115% of sum covered;</p> <p>b) Amount in the PIF, if any; and</p> <p>c) Any undistributed surplus from the PRF, if any.</p> <p>The annualised return of CP benefit and item(a) above is <Annualised Return %>.</p> <p>The contributions that you pay contribute to both the savings and protection elements of the product, e.g. death benefits. If you are looking for financial products with savings element, you may wish to compare annualised return of this takaful certificate with the effective returns of other investment alternatives.</p>																								
6	Surrender Benefit	PRF surrender value plus the amount in the PIF, will be payable.																								

Supplementary certificates or riders < Note to BA: To display only selected riders.>		
No	Coverage / Benefit	Benefit Description
1	Regular Top-up	This is a contribution top-up rider where 5% wakalah fee is applicable and 95% of the rider contribution is allocated to PIF of the certificate.

Reminder: Please refer to the marketing illustration for the sum covered, term of coverage and contribution payment term details of your certificate. The benefit(s) payable under eligible product is(are) protected by PIDM up to limits. Please refer to PIDM's TIPS Brochure or contact Us or PIDM (visit www.pidm.gov.my).

4. How much contribution do I have to pay?

The estimated total contribution that you have to pay is RM <total contribution> <contribution mode>. The contribution payment term is <contribution term> years.

Basic Contribution	RM <basic contribution>
Regular Top-up Contribution	RM <regular top-up contribution>

All contributions (if applicable) will be subjected to relevant charges or taxes as deemed necessary by the Malaysia tax authorities. It is important to keep any receipt that you receive as proof of payment of contribution.

5. What are the fees and charges that I have to pay?

Wakalah fees, which will be used as the management expenses and commissions, will be deducted from the contributions based on the percentage as per table below, and a fixed RM72 from the contributions per annum per certificate.

<Note to BA: The table below will be customized in accordance to the contribution paying term>

Certificate Year	Wakalah Fee (% of Contribution)
1	<Wakalah Fee>%
2	<Wakalah Fee>%
3	<Wakalah Fee>%
4	<Wakalah Fee>%
5	<Wakalah Fee>%
6	<Wakalah Fee>%
7	<Wakalah Fee>%
8	<Wakalah Fee>%
9	<Wakalah Fee>%
10	<Wakalah Fee>%

Note: The list is non-exhaustive. Please refer to the marketing illustration or certificate for details.

6. What are some of the key terms and conditions that I should be aware of?

- Importance of Disclosure – To help Us make the right decision in accepting the risk and determining the rates and terms of your certificate, you are required to disclose all relevant information, including medical condition (if applicable) and age, correctly. If this information is withheld or found to be inaccurate, this will result in voidance of the certificate, a claim not being paid, or terms and conditions of the certificate being changed.
- Grace Period – The additional period of time that is provided for you to pay the contribution due. The grace period under this certificate is 31 days from the date the contribution is due.
- Automatic Contribution Facility – Automatic Contribution Facility will be activated automatically when the overdue contribution remains unpaid at the end of the grace period. The PRF contributions shall be deducted from PIF, the certificate will remain in force as long as the balance of the PIF is sufficient to make such advances.

- d) Free-look period – You may cancel your certificate by returning the certificate within 15 days after the certificate has been received by you. The contributions that you have paid (less any medical examination fee incurred) will be refunded to you. Please note that for the purpose of determining the period of 15 days, this certificate will be deemed to be returned to Us on the date We have received this certificate if personally delivered or on the date of posting if this certificate is sent to Us by registered post or on the date of transmission if this certificate is electronically transmitted.

Note: This list is non-exhaustive. Please refer to the certificate for the full terms and conditions.

7. What are the major exclusions under this certificate?

a) Suicide

If the person covered commits suicide while sane, Our liability shall be limited to the following:

- i. Within 1 year from the issue date or the date of the latest reinstatement of the certificate, We shall pay total contribution received by Us. No other benefits will be payable.
- ii. After 1 year from the issue date or date of the latest reinstatement of the certificate, We shall pay:
 - a. Sum covered; or
 - b. Total contribution received by Us less cash payment benefit paid; or
 - c. PRF surrender value;
 - whichever is the highest, and
 - d. Amount in the PIF, if any.

If the person covered commits suicide while insane, the amount payable in one lump sum is:

- i. Sum covered; or
- ii. Total contribution received by Us less cash payment benefit paid; or
- iii. PRF surrender value;
- whichever is the highest, and
- iv. Amount in the PIF, if any.

- b) On death due to non-accidental cause within 2 years from the issue date or the date of the latest reinstatement of the certificate, the death benefit payable is refund of the total contribution received by Us and no other benefits will be payable. This is only applicable to guaranteed acceptance cases.

- c) The certificate shall not cover accidental death that occurs directly or indirectly due to any of the following:

- i. Intentional self-inflicted death or suicide, whilst sane;
- ii. Participation in any criminal or illegal act, strike, riot, terrorism or civil commotion;
- iii. Participation in dangerous or hazardous sport or activities such as (but not limited to) horse riding, water sports (except non-motorized sailing craft and swimming), hunting, racing (except foot racing), mountaineering, potholing or caving, and winter sports;
- iv. Participation in any form of aviation (except as a fare-paying passenger or crew member on a regular route operated by a commercial airline), or aerial sports such as (but not limited to) skydiving, parachuting, bungee jumping, hang gliding and ballooning;
- v. War (whether declared or not), revolution, attack by a foreign country, or invasion;
- vi. Consumption of alcohol, non-prescribed or illegal drugs or narcotics;
- vii. Physical and violent provocation by the person covered, leading to a similar response that leads to death;
- viii. Inhalation of poison, gas or fumes whether, voluntarily or involuntarily taken;
- ix. Radioactive contamination arising from fuel, weapons, waste or processing; or
- x. Human Immunodeficiency Virus (HIV) or Acquired Immune Deficiency Syndrome (AIDS).

Note: This list is non-exhaustive. Please refer to the certificate for the full list of exclusions.

8. Can I cancel my certificate?

You may cancel your certificate by returning the certificate with a written surrender request. If the written cancellation is received after the Free Look Period, the PRF surrender value plus the amount in the PIF, if there is any, will be payable. Please consider carefully before you surrender as the surrender value may be less than the contribution paid.

9. What do I need to do if there are changes to my contact details?

It is important that you inform Us of any change in your contact details (including the nominee) to ensure that all correspondences reach you in a timely manner. Please e-mail at info@etiqa.com.my, or by calling Etiqa Oneline at 1-300-13-8888.

10. Where can I get further information?

If you have an enquiry or require further information, please contact Maybank Group Customer Care by calling 1300-88-6688, or write to Etiqa Family Takaful Berhad (199301011506), Dataran Maybank, No 1, Jalan Maarof, 59000 Kuala Lumpur; or by calling Etiqa Oneline at 1300-13-8888, or e-mail to Etiqa Family Takaful Berhad at info@etiqa.com.my, or visit www.etiqa.com.my. Etiqa Family Takaful is licensed under the Islamic Financial Services Act 2013 and regulated by Bank Negara Malaysia

11. Other similar types of cover available.

Please refer to Our distributor for other similar types of cover available.

IMPORTANT NOTE:

PARTICIPATING IN A FAMILY TAKAFUL PLAN IS A LONG-TERM FINANCIAL COMMITMENT. YOU MUST CHOOSE THE TYPE OF CERTIFICATE THAT BEST SUITS YOUR PERSONAL CIRCUMSTANCES. YOU SHOULD READ AND UNDERSTAND THE TAKAFUL CERTIFICATE AND DISCUSS WITH THE DISTRIBUTOR OR CONTACT US DIRECTLY FOR MORE INFORMATION.

The information provided in this product disclosure sheet is valid as at [<issue date>](#).