



PENSIONPLUS

STANDARD TERMS & CONDITIONS:

- (i) This Policy provided by Aviva Life Insurance Company India Private Limited (hereinafter called the "Company") is based upon the signed, dated and completed Proposal (hereinafter the "Proposal") and is as detailed in the Policy Document, which comprises these Standard Terms and Conditions, the Rules for the Investment Funds, the Schedule, and the Proposal.
- (ii) The terms defined below have the meanings ascribed to them wherever they appear in this Policy Document and, where appropriate, references to the singular include references to the plural; references to the male include the female, and references to any statutory enactment includes references to amendments to the same:

Accumulation Unit	A Unit allocated in respect of payment of Additional Single Premium, or Regular Premium after the first Policy Year or after the first Policy Year following the agreement of the Company to receive Additional Regular Premium.
Additional Regular Premium	An increase to the Regular Premium payable by the Policyholder (other than as a result of Indexation) in an amount and manner that satisfies the Company's then current guidelines in this respect.
Additional Single Premium:	Premium received from the Policyholder in the form of a single payment (separately from and in addition to the requirement to pay Regular Premium) in an amount and manner that satisfies the Company's then current guidelines in this respect at the date of payment.
Age:	Age last birthday.
Anniversary:	The annual anniversary of the Commencement Date.
Claimant	The Policyholder, Nominee or any other legally interested person (for example, the heir or personal representative of a deceased Policyholder) who wishes to make a claim for payment of a benefit under the Policy.
Commencement Date:	The commencement date of the Policy as specified in the Schedule
Early Redemption Charge	A charge made in accordance with the Company's guidelines in force from time to time, and levied by the Company by cancelling Initial Units in the Unit Account either on the termination of the Policy or on its conversion to a paid up policy before the end of the Policy Term.
Initial Unit	A unit allocated in respect of the payment of Regular Premium during the first Policy Year or during the first Policy Year following the agreement of the Company to receive Additional Regular

	Premium.
Maturity Date	The date shown in the Schedule or the revised date as per Article 4.
Nominee	A person whose name has been nominated in writing to the Company by the Policyholder who is entitled to receive a benefit upon the death of the Policyholder.
Policy Term	The period between the Commencement Date and the Maturity Date
Policy Value:	The total number of Initial and Accumulation Units held in the Unit Account multiplied by their Selling Price.
Policy Year:	The year commencing on the Commencement Date or an Anniversary thereof.
Policyholder	The adult named in the Schedule who has concluded this Policy with the Company.
Purchase Price:	The price at which the Company allocates Units in the Unit Linked Fund or With Profit Fund on that day.
Regular Premium	Premium payable by the Policyholder in regular instalments in the amounts, in the manner, at the intervals and in the method specified in the Schedule during the Policy Term (as the same may be revised pursuant to Article 1).
Schedule	The schedule and any endorsements thereto issued by the Company to evidence the Policy and, if more than one, then the latest in time.
Selling Price:	The price at which the Company cancels Units in the Unit Linked Fund or With Profit Fund on that day.
Unit	A proportionate part of a Unit Account.
Unit Account:	An individual account created and administered by the Company for a Policy and consisting of Initial and Accumulation Units valued by reference to the underlying assets of a With Profit Fund or Unit Linked Fund.
Unit Linked Fund	An internal investment fund established for the express purpose of this Policy and run according to Articles 26 to 29 inclusive.
Valuation Date	The date on which the assets to which either of the Unit Linked Fund or With Profits Fund is referenced is valued and the date on which the Purchase Price and Selling Price of Units is determined.
With Profits Fund	An internal investment fund established for the express purpose of this Policy and run according to Article 30.

Article 1 Regular Premium & Forfeiture Provisions

- (1) It is a condition precedent to the Company's liability to make payment under this Policy that there has been payment of Regular Premium by the Policyholder. If the Regular Premium is not paid in the manner or amount or at the time provided for, then the Company will allow a period of grace of 180 days from the date upon which the Regular Premium should have been paid within which the default shall be rectified.
- (2) If an instalment of Regular Premium is not paid within the period of grace, then

- (a) If the due date is less than 24 months from the Commencement Date, the Policy will be deemed to have immediately lapsed without value and no payment will be made unless any Additional Single Premium has been paid, in which case the Company will make payment in respect of Units attributable to that Additional Single Premium in accordance with Article 8.
- (b) If the due date of the Regular Premium is more than 24 months from the Commencement Date, then if the value of Units in the Unit Account attributable to Regular Premium is:
 - (i) Higher than the minimum amount established by the Company from time to time, the Policy will be converted to a paid up policy in accordance with Article 9.
 - (ii) Lower than the minimum amount established by the Company from time to time, the Policy will lapse and a surrender value as specified in Article 8 will be paid.
- (3) During any period of grace and after when Article 1(2)(b)(i) is in operation the charges described in Article 12(8) and 12(9) will continue to be made and payable.

Article 2 Additional Regular Premium & Additional Single Premium

- (1) Notwithstanding the provisions of Article 7, the Policyholder may increase the level of Regular Premium as agreed by the Company whereafter the obligation in Article 1(1) shall be for the Policyholder to pay Additional Regular Premium.
- (2) Any agreed increase to the amount of the Regular Premium becomes effective on the next following Anniversary as long as the Policyholder's written request is delivered to the Company before such Anniversary. The level of Additional Regular Premium may not be decreased.
- (3) Additional Single Premium may be paid at any time during the Policy Term.

Article 3 Death Benefit

- (1) Upon the death of the Policyholder during the Policy Term, and subject to the requirements of Article 10, the Company will be liable to pay:
 - (a) 90% of the Policy Value without the deduction of an Early Redemption Charge if death occurs in the first Policy Year;
 - (b) 100% of the Policy Value without deduction of an Early Redemption Charge if death occurs after first Policy Year.
- (2) The Policy will immediately terminate on the benefits outlined in Articles 3 (1)(a) or 3(1) (b) becoming payable.

Article 4 Maturity Benefit

- (1) If the Policyholder is living on the Maturity Date, the Policy Value as at that date (together with any Final Bonus in relation to the With Profit Fund that the Company may pay), shall be applied in one of the following ways at the option of the Policyholder:
 - (a) 100% towards the purchase of an annuity (on his own life or jointly with his spouse) with the Company or any other Indian Insurance Company;
 - (b) upto one third towards cash lump sum and the balance towards the purchase of an annuity (on his own life or jointly with his spouse) with the Company or any other Indian Insurance Company.

Article 5 Review of Maturity Date

- (1) The Policyholder may, with the prior written consent of the Company to whom he shall give at least 6 months written notice, extend the Maturity Date as long as the Policyholder's age as at the existing Maturity Date is not more than 65 years and as at the proposed revised Maturity Date will not be more than 70 years.
- (2) If the Company has agreed to any extension of the Maturity Date as per Article 5(1), then the Policyholder may also convert the Policy to a paid up policy as long as he gave notice of his intention to do so when seeking the Company's consent to the extension of the Maturity Date.

Article 6 Nominees

- (1) The Policyholder may nominate one or more Nominees to receive death benefit under Article 3, and the Policyholder has the right to change the Nominees.
- (2) A nomination or a change of nomination shall only become effective and be evidenced by an endorsement on the Schedule.
- (3) If a Nominee dies prior to the death benefit becoming payable then the death benefit shall be paid to the Policyholder's other Nominees (in proportion to their designated shares of the death benefit), and if none then to the Policyholder's successors in accordance with Indian law. Any payment made in good faith by the Company to such successors shall be a complete discharge of the Company's liability to make payment under this Policy or otherwise.

Article 7 Indexation

- (1) At each Anniversary except those falling in the 5 years prior to the Maturity Date, Regular Premium will be increased by an inflation adjustment as determined by the Company from time to time.
- (2) The Company will give the Policyholder written notice of the increased amount of Regular Premium before each Anniversary.

- (3) The Policyholder may decline the increase at any given Anniversary in which event the Regular Premium will not be increased. The Company must receive this decision in writing not later than 5 days before the Anniversary to be valid.
- (4) The right to future Indexation increases will not be lost if an increase is declined. The Policyholder may increase the Regular Premium in respect of past inflation adjustments not accepted by him.

Article 8 Full Surrender

- (1) Before the commencement of the third Policy Year the Policyholder shall be entitled to a surrender value calculated by reference to the Selling Price of all Accumulation Units attributable to any Additional Single Premium, less a surrender penalty calculated in accordance with the Company's surrender penalty chart.
- (2) After the commencement of the third Policy Year and subject to the payment of Regular Premium during the first 2 Policy Years, the Policyholder shall be entitled to a surrender value calculated by reference to the Selling Price of all:
 - (a) Initial Units, less the Early Redemption Charge,
 - (b) Accumulation Units attributable to Regular Premium,
 - (c) Accumulation Units attributable to any Additional Single Premium (less a surrender penalty calculated in accordance with the Company's surrender penalty chart in force from time to time if the surrender occurs within 3 years of the date of allocation of attributable Accumulation Units).
- (3) The valuation will be carried out as at the date of surrender, and the Company shall be entitled to deduct its administrative costs of dealing with the surrender from any payment due.
- (4) No partial surrender shall be permitted.

Article 9 Paid Up Policy & Reinstatement

- (1) From the commencement of the third Policy Year, and subject to the payment of Regular Premium during the first 2 Policy Years, the Policyholder may convert the Policy into a paid up policy so long as the value of Units in the Unit Account attributable to Regular Premium is higher than the minimum amount established by the Company from time to time.
 - (a) All Initial Units held in the Unit Account shall be surrendered in accordance with Article 8(2)(a) and the proceeds shall be used to purchase Accumulation Units for the Unit Account at their Selling Price in respect of Regular Premium.
 - (b) The charges specified in Articles 12(8) and 12(9) will continue to be applied, but may be applied at a reduced level as determined by the Company from time to time.

- (2) After conversion the Policyholder may, with the Company's prior written consent, reinstate the Policy and recommence paying Regular Premium at a level compliant with the minimum amount specified by the Company from time to time.
 - (a) The Company reserves the right to obtain additional information before considering the reinstatement of a paid up or lapsed Policy.
 - (b) The Company shall be entitled to charge the Policyholder for its administrative costs of dealing with the reinstatement.

Article 10 Payment of Benefits & Dealings with the Policy

- (1) It is a condition precedent to the Company's liability to make any payment under this Policy that it receives immediate written notice and has the opportunity of establishing to its satisfaction the entitlement to any benefit, for which purpose the Company shall receive all reasonable cooperation from the Policyholder and/or Nominee and/or the Policyholder's representatives.
- (2) The Company shall be under no obligation to make any payment under this Policy until such time as the Claimant shall have provided it with all information and documentation requested in relation to both the claim and the Claimant's entitlement, and in particular the following where applicable:
 - (a) The Policy.
 - (b) Proof of payment of Regular Premium.
 - (c) Evidence of date of birth.
 - (d) The original or legalised copy of the death certificate showing the cause and date of death.
 - (e) The Company's claim form duly completed.

Article 11 Loss of the Policy Document

- (1) If the Policy Document is lost or destroyed, then (subject to Article 11(3)) at the request of the Policyholder the Company will issue a copy Policy Document duly endorsed to show that it is issued following the loss or destruction of the original document. The Company shall be entitled to charge a fee for the issue of a copy Policy Document.
- (2) Upon the issue of a copy Policy Document the original Policy Document will cease to have any legal effect.
- (3) The Company reserves the right to make such investigations into and to call for such evidence of the loss of the Policy Document at the expense of the Policyholder, as it considers necessary before issuing a copy Policy Document.

Article 12 Unit Account & Charges

- (1) On the Commencement Date the Company shall open the Unit Account and on receipt of each premium shall notionally allocate to the Unit Account the number of Units, including parts of Units secured by the premium (after deduction of premium or any other applicable tax, if any and after adjusting for the allocation rate specified in the Schedule), at the next available Purchase Price of the Unit. Units will be allocated in the With Profit Fund or Unit Linked Fund as specified in the Schedule.
- (2) All Regular Premium due in the first year from the Commencement Date will be used to allocate Initial Units.
- (3) All increases to Regular Premium as a result of indexation or Additional Regular Premium payable in the first year from the commencement of such increase will be used to allocate Initial Units.
- (4) All other Regular Premium not covered by the provisions of Articles 12(2) and (3) above will be used to allocate Accumulation Units.
- (5) All Additional Single Premium will be used to allocate Accumulation Units.
- (6) No Units will be allocated before the later of the Commencement Date or until the Regular Premium (including if increased by indexation or Additional Regular Premium) or Additional Single Premium has been received by the Company.
- (7) Each Policy Year a fixed percentage of Initial Units as to be determined in accordance with the Company's guidelines in force from time to time will be cancelled as an initial management charge. Initial Units will be cancelled monthly at their Selling Price for a period determined by the Company but not exceeding the greater of 5 years or two-third of the Policy Term subject to a maximum of ten years.
- (8) Each month an appropriate number of Accumulation Units, including parts of Units allocated to the Unit Account in respect of Regular Premium, will be cancelled by the Company at their Selling Price, such that the cash value of the cancelled Units is equal to the monthly administration charge as determined by the Company from time to time. The amount of the monthly charge will be reviewed and adjusted annually by the Company. Any annual increase will be limited to 15% of the previous level of the charge.
- (9) Each month a fixed percentage equivalent to 1% per annum of Units will be cancelled as a regular management charge. This charge will be subject to review and change at any time by the Company subject to a maximum of 2% per annum. Any increase will be made with prior approval from the Insurance Regulatory and Development Authority.
- (10) If there are no Accumulation Units or the number of Accumulation Units in the Unit Account is not sufficient to cover the charges as specified in Article 12(8) then provided that the Policy has not been converted into paid up policy in accordance with Article 9, the charges shall be carried forward as a Unit Account debt and an equivalent number of Accumulation Units will be deducted from the Unit Account when possible.

- (11) The Company reserves the right to review and increase or decrease any charges payable in respect of the Policy or Units. Any increase will only be made when in the opinion of the appointed actuary of the Company it is necessary to do so in order to cover the expenses of the company or reasonable to do so in all the circumstances with particular regard to prevailing market conditions. The Company shall give one month's notice of any such increase or decrease to the Policyholder.

Article 13 Power of Delay of Cancellation

The Company shall have the right at its absolute discretion, upon giving notice in writing to the Policyholder, to delay any cancellation of Units for the period up to one month, or six months if the underlying assets attributable to any of the Units to be cancelled are in either a Unit Linked Fund or With Profit Fund which holds investments based on property or land.

Article 14 Rounding Rules

All premium payments paid by the Policyholder to the Company and all benefits paid by the Company are to be rounded off to the nearest and expressed in whole currency units.

Article 15 Taxation

The Company shall be entitled to make such deductions, which in its opinion are necessary and appropriate, from any of the benefits receivable under the Policy on account of any tax or other payment which may be imposed by any legislation, order, regulation or otherwise upon the Company, Policyholder or Nominee.

Article 16 Status of Agent

The insurance agent is only authorised by the Company to arrange completion and submission of the proposal form. The insurance agent is not authorised to act as the Company's legal representative or act in any other way on behalf of the Company. Information given to the insurance agent should not be considered as having been given to the Company.

Article 17 Correspondence

- (1) All instructions and notifications in respect of the Policy must be given in writing and signed by the Policyholder and sent to the Company's address specified in the Schedule. The Company will not act upon any such instruction, notification or request until it is received at the appointed address.
- (2) The Policyholder should notify the Company of any change of his address or the address of the Nominee under the Policy. In the event that a change of address is not notified to the Company then correspondence sent to the last recorded address shall be legally effective

Article 18 Notices

- (1) All notices of transfers or assignments or of any other legal transactions affecting ownership of the Policy or entitlement to benefits under the Policy must be given in writing to the Company at its address specified in the Schedule.
- (2) All notices of nominations under Article 6 must be given in writing to the Company at its address specified in the Schedule.
- (3) Any transfer, assignment, nomination or other transaction affecting ownership of the Policy or entitlement to benefits under the Policy shall be ineffectual and void against the Company unless and until notice is served in accordance with Article 18(1) and 18(2) before the Company becomes liable for the payment of any benefit.
- (4) In registering any notice pursuant to Article 18(1) and (2), the Company does not accept any responsibility or express any opinion as to its validity or legal effect.

Article 19 Currency

All premiums and benefits under this Policy are payable in the currency of the Policy as specified in the Schedule.

Article 20 Law

This Policy and the applicable terms and conditions are subject to the Indian law.

Article 21 Change to the Standard Policy Terms and Conditions

- (1) The Company reserves the right to change these Standard Terms and Conditions, the Rules for the Investment Funds and the benefits conferred by the Policy if there is a change in the law, legislation or taxation affecting the Company, the Unit Linked Fund or the With Profit Fund or the Policy benefits, or if there is a change in circumstances which makes it impossible or impracticable for the Company to follow these Standard Terms and Conditions.
- (2) None of these Standard Terms and Conditions or Rules for the Investment Funds may be waived or modified except by an endorsement issued by the Company and signed by an authorised official thereof, except where otherwise stated in these Standard Terms and Conditions.
- (3) The Company will notify the Policyholder about any changes to the Standard Terms and Conditions, Rules for the Investment Funds and the benefits within four weeks from the date of the change.

Article 22 Entire Contract

This Policy constitutes the complete contract between the Policyholder and the Company. No change or alteration to this Policy shall be valid or effective unless approved in writing by the Company, which approval shall be evidenced by the Company's endorsement on the Schedule.

Article 23 Arbitration

Any and all disputes or differences which may arise under, out of, or in connection with or in relation to this Policy, or to its existence, validity or termination or to the determination of the amount or any amounts payable, shall be determined by arbitration in accordance with the provisions of the Arbitration & Conciliation Act 1996 or any amendment or re-enactment thereof.

Article 24 Due Observance

The Due Observance of and compliance with the terms, provisions and conditions of the Policy Document insofar as they relate to anything to be done or complied with by the Policyholder or any other Claimant shall be a condition precedent to the liability of the Company.

Article 25 Fraud

If the Policyholder or any other Claimant shall make or advance any claim under or in respect of this Policy knowing the same to be false or fraudulent as regards amount or otherwise, this Policy shall be void and any benefits hereunder shall be forfeited.

RULES FOR THE INVESTMENT FUNDS

Article 26 Unit Linked Fund

- (1) Each Unit Linked Fund is referenced to separate and identifiable assets of the Company.
- (2) The Company reserves the rights to establish further Unit Linked Funds or to consolidate, sub-divide or close existing Unit Linked Funds. The Policyholder will be given written notice of any such consolidation, sub-division or closure.
- (3) Income received from assets referenced to a Unit Linked Fund will be added to these assets. The amount after allowing for tax will increase the value of each existing Unit of the respective Unit Linked Fund.
- (4) Units may only be created in a Unit Linked Fund when assets equal in value to the Units created are added to the portfolio of assets to which the respective Unit Linked Fund is referenced.
- (5) Assets may only be withdrawn from the portfolio of assets to which a Unit Linked Fund is referenced, except as provided in Article [28.4 and 28.5], if Units equal in value to those assets are cancelled in the Unit Linked Fund.

Article 27 Limitation of Interest in a Unit Linked Fund

- (1) The allocation of the Units to the Unit Account shall be notional and shall operate solely for the purpose of determining the value of benefits under the Policy.
- (2) The assets to which the Unit Linked Fund are referenced and any income arising from these assets shall remain the property of the Company at all times. Accordingly, the Policy does not confer any title to or any beneficial interest in any assets of the Company, or to any income from these assets including but not limited to any assets to which any Unit Linked Fund is referenced or income therefrom.

Article 28 Valuation of the Unit Linked Fund and Charges

- (1) The assets to which the Unit Linked Fund are referenced will be valued at a frequency to be determined at the discretion of the Company, but at minimum once per month.
- (2) The maximum value of a Unit Linked Fund will be determined by the Company and will be based on the value of the assets to which the Unit Linked Fund is referenced at the market price at which they could be purchased, plus the costs of buying the assets, less a deduction to cover expenses, taxes or any other payments in connection with the Unit Linked Fund which are an actual or potential liability on the assets, less any borrowings in connection with the Unit Linked Fund.
- (3) The minimum value of a Unit Linked Fund will be determined by the Company and will be based on the value of the assets to which the Unit Linked Fund is referenced at the market price at which they could be sold, less the costs of selling the assets, less a deduction to cover expenses, taxes or any other payments in connection with the Unit Linked Fund which are an actual or potential liability on the assets, less any borrowings in connection with the Unit Linked Fund. The Company is entitled to deduct from the assets to which the Unit Linked Fund is referenced all expenses, duties and other charges incurred in connection with running of the Unit Linked Fund, including the costs of purchase, sale, valuation and maintenance of the assets.
- (4) The Company is entitled to reduce the value of the assets to which the Unit Linked Fund is referenced by any taxes in respect of the assets and any other payments which the Company considers to be an actual or potential liability on the assets and by interest on any money borrowed in connection with the Unit Linked Fund.
- (5) The Company will make all decisions about the selection and valuation of the assets to which a Unit Linked Fund is referenced and about the appointment of the Portfolio Manager to manage the assets.

Article 29 Calculation of Unit Prices of a Unit Linked Fund

- (1) The Company will determine the Purchase Price and the Selling Price of Units of a Unit Linked Fund on each Valuation Date. The difference between the Purchase Price and Selling Price will be 5% as calculated under 29(2) and 29(3) below.

- (2) The Purchase Price of Units of a Unit Linked Fund will not be higher than the maximum value of the Unit Linked Fund multiplied by a factor 100/95 and then divided by the total number of Units in the Unit Linked Fund at that time, with the result being rounded up by not more than 1%.
- (3) The Selling Price of Units of a Unit Linked Fund will not be lower than the minimum value of the Unit Linked Fund divided by the total number of Units in the Unit Linked Fund at that time, with the result being rounded down by not more than 1%.

Article 30 With Profits Fund & Charges

- (1) Each Unit of the With Profits Fund has a Purchase Price and a Selling Price to be determined by the Company. The Selling Price is guaranteed by the Company never to decrease, subject to the Market Value Adjustment in 30(10) below in the limited circumstances in which this deduction applies.
- (2) The Company reserves the right to establish further With Profits Funds or to consolidate sub-divide, close or change the pattern of investments of existing With Profits Funds. The Policyholder will be given written notice of any such consolidation, sub-division or closure.
- (3) The allocation of Units in the With Profits Fund to the Unit Account shall be notional and shall operate solely for the purpose of determining the value of benefits under this Policy. The Policy does not confer any title to or any beneficial interest in any assets of the Company.
- (4) The Company may deduct the charges referred to in Article 28 from the With Profits Fund, but this will not affect the guarantee in (1) above.
- (5) The With Profits Fund participates in the profits of the Company's life insurance fund in respect of this fund. Profits declared by the Company in relation to the With Profits Fund are attributed to policyholders by means of:
 - (a) regular bonuses, and
 - (b) a final bonus,
 as determined by the Company.
- (6) Each Unit of the With profits Fund will have a Selling Price and Purchase Price which will be determined by the Company at least once every month. The Selling Price will increase as a result of the application of regular bonus rate addition since the Selling Price was previously determined. For this purpose, the annual regular bonus rate announced by the Company will be converted to an equivalent daily rate in accordance with the formula set out below. The equivalent daily rate will then be applied on a daily compound interest basis.

Formula: $\text{equivalent daily rate} = (1 + \text{annual regular bonus rate})^{(1/365)} - 1$

The Purchase Price will be the Selling Price multiplied by 100/95.

- (7) The Company may at any time consolidate or sub-divide Units as it deems necessary provided the total value of the Units allocated to the Policy is not reduced.
- (8) Regular bonuses are attributed by means of regular increases in the price of Units in accordance with the regular bonus rate, if any, announced by the Company at least once a year. The latest regular bonus rate to be announced will continue to be applied until superseded by a further announcement by the Company.
- (9) On cancellation of Units in the With Profits Fund for making benefit payments, the Company may pay a final bonus in accordance with the final bonus scales, if any, applicable at the date of cancellation. The Company will announce final bonus scales at least once a year.
- (10) In order to ensure fairness of treatment between policyholders, on the cancellation of Units in the With Profits Fund under Articles 8 and 9, the Company may reduce the Selling Price by the application of a Market Value Adjustment ("MVA"). The MVA will only be applied where the actual investment return of the With Profits Fund from the date of allocation of Units to the date of cancellation of the Units is less than that credited to the Units by the Company by means of increases in the price of Units and by the application of the terminal bonus scale. When applying the MVA, the adjustment in the Selling Price will never exceed the difference between the actual investment return of the With Profits Fund and the investment return of the With Profits Fund credited to the Units by the Company between those dates. The Company will give the notice to the Policyholder where the MVA is to be applied.
- (11) No MVA will be applied in the following circumstances:
 - (a) On the payment of benefits on death.
 - (b) On the Maturity Date.

Article 31 Investment Funds

31.1 The Company shall apply the Regular Premium, Additional Regular Premium and Additional Single Premium (if any) received to allocate Units (at the allocation rate and in accordance with the allocation proportion specified in the Schedule) in the Investment Funds, which are either:

31.1.1 The With Profits Fund (which is established and run according to Article 30), or

The Unit Linked Funds (consisting of the Pension Secure Fund, the Pension Balanced Fund and the Pension Growth Fund; as provided for in Article 26.2. and which are established and run according to Articles 26 to 29)

31.2 The value of Units in the Investment Funds will fluctuate depending upon the performance of the assets held and the values are not guaranteed by the Company. The investment objective of each of the Investment Funds is as follows:

- 31.2.1 With Profits Fund: The investment objective of the With Profits Fund is to provide stable and sustained growth. The normal range of assets in equities is 0% to 20%, in debt securities 70% to 100% and in the money market 0% to 10%. The Company may change the above asset mix depending upon the investment conditions. Each Unit of the With Profits Fund has a Purchase Price and a Selling Price determined by the Company. The Selling Price is guaranteed by the Company never to decrease (subject to Article 30).
- 31.2.2 Pension Secure Fund: The investment objective of the Pension Secure Fund is to provide progressive capital growth with relatively lower investment risks. The Pension Secure Fund will aim to invest in equities to the extent of 0% to 20%, debt securities to the extent of 60% to 100% and money market and cash to the extent of 0% to 20% in order to achieve the investment objective of this Unit Linked Fund.
- 31.2.3 Pension Balanced Fund: The investment objective of the Pension Balanced Fund is to provide progressive capital growth with relatively lower asset value fluctuations. The Pension Balanced Fund will aim to invest in equities to the extent of 0% to 45%, debt securities to the extent of 50% to 90% and money market and cash to the extent of 0% to 10% in order to achieve the investment objective of this Unit Linked Fund.
- 31.2.4 Pension Growth Fund: The investment objective of the Pension Growth Fund is to provide progressive capital growth by investing a larger proportion in equities. The Pension Growth Fund will aim to invest in equities to the extent of 30% to 85%, debt securities to the extent of 0% to 50% and money market and cash to the extent of 0% to 20% in order to achieve the investment objective of this Unit Linked Fund.
- 31.3 The Company does not guarantee the price of the Units of the Investment Funds. Depending on market risk and the performance of the Investment Funds to which the Units are referenced, the value of Units may fall, rise or remain unchanged. There can be and is no assurance that the objectives of any of the Investment Funds will be achieved and the Company gives no such assurance and assumes no liability for the achievement of the Fund objectives. The Company's maximum liability to make any payment under this Policy shall at all times be limited to the Policy Value.
- 31.4 The Company reserves the right to amend the investment objective of any Investment Fund and to add new funds.

Article 32 Amendment of Allocation Proportion

- 32.1 At the written request of the Policyholder, and provided that the Policyholder has not opted for the With Profits Fund (as evidenced by the Schedule), the Company will amend the allocation proportion referred to at Article 31.1 whereafter the previous allocation proportion will become ineffective and the amended allocation proportion will be applicable from the date of the Company's acceptance of the request. The charges described in Article 12 shall be deducted from the Unit Linked Funds in the allocation proportion or the amended allocation proportion as the case may be.
- 32.2 The Company will not allow a request for an amendment to the allocation proportion more than two times in a Policy Year.

- 32.3 The minimum and maximum allocation proportion in each of the Unit Linked Funds selected may be any figure between 10% and 100%.

Article 33 Unit Switches

At the written request of the Policyholder to switch Units from one Unit Linked Fund to another, and provided that the Policyholder has not opted for the With Profits Fund (as evidenced by the Schedule), the Company will cancel Units of an equal amount from the Unit Linked Fund in which the Units are to be cancelled at the Selling Price of Units of that Unit Linked Fund and will replace them with Units of the Unit Linked Fund in which the Units are to be created at the Selling Price of Units of that Unit Linked Fund.

- 33.1 The first Unit switch in each Policy Year will be processed with no fee. Subsequent Unit switches will be processed by the Company at a fee of 0.5% applied to the value of the Units switched at their respective Selling Price. The fee for Unit switches will be recovered by way of the cancellation of Units in the Unit Linked Fund where Units have been purchased following a Unit switch.
- 33.2 The value of Units in a Unit Linked Fund after the cancellation of Units as a result of a Unit switch must not be less than Rs.5,000, unless the Policyholder wishes to switch 100% to another Unit Linked Fund.
- 33.3 Unit switches will only be permitted in those Unit Linked Funds available for investment under this Insurance.
- 33.4 The Unit switch request will be effected as soon as reasonably practicable following the receipt of a request at the Company's address mentioned in the Schedule.
- 33.5 The right to switch Units from one Unit Linked Fund to another Unit Linked Fund shall immediately and automatically terminate if, at any time, the Insurance has become paid up in accordance with Article 9.

Endorsement

Endorsement
