

STANDARD TERMS & CONDITIONS

Note: In this Policy, the investment risk in the investment portfolio is borne by the Policyholder.

PENSIONPLUS

General Provisions

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 Schedule and the Proposal.

Definitions

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 the payment of Regular Premium after the first Policy Year or after the first year of an indexation increase or any other increase to the Regular Premium or following the payment of Single Premium and any Top Up Premium.
Additional Regular Premium	An increase to the Regular Premium payable by the Policyholder per Article 2 other than as a result of indexation.
Top Up Premium	Premium paid by the Policyholder in the form of a single payment separately from and in addition to the Regular Premium.
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 any benefits under the Policy.
Commencement Date	The commencement date of the Policy as specified in the Schedule.
Surrender Charge on Initial Units	The charge as specified in the Schedule, applicable on Initial Units.
Initial Unit	A Unit allocated in respect of the payment of Regular Premium during the first Policy Year or first year of any indexation increase or any other increase to the Regular Premium.
Investment Fund	Internal investment funds comprising Unit Linked Funds or With Profits Fund as indicated in the Schedule, subject always to the Company's right to add, close or amend any Investment Fund.
Maturity Date	The date specified in the Schedule or the revised date as per Article 5 on which the Maturity Benefit becomes payable provided the Policyholder is still living.
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 Insured in accordance with section 39 of the Insurance Act 1938.
Policy	The arrangements established by this Policy Document.
Fund Value	The total number of Units held in the Unit Account multiplied by their respective Unit Price.
Policy Year	The year commencing on the Commencement Date or an Anniversary thereof.
Policyholder	An adult as named in the Schedule who has concluded the Policy with the Company and owns the Policy.
Unit Price	The price at which the Company allocates or redeems Units in the Unit Linked Funds or With Profits Fund.
Regular Premium	Premiums payable by the Policyholder in regular installments in the amounts, in the manner, at the intervals and in the method specified in the Schedule. Regular Premium may be increased pursuant to Article 2.
Single Premium	Premium paid by the Policyholder prior to the Commencement Date in the form of a single payment.
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.
Unit	A notional and proportionate part of the Unit Account created by the allocation of Single Premium, Regular Premium, Additional Regular Premium and Top Up Premium, if any, and created solely for the purpose of determining the benefits under this Policy.
Unit Account	An individual account created and administered by the Company for this Policy and consisting of Units.
Unit Linked Fund	An internal investment fund established for the express purpose of this Policy and run according to Articles 25 to 28 inclusive, subject always to the Company's right to add, close or amend any Unit Linked Fund as provided for in Article 25(2). As at the Commencement Date, the available Unit Linked Funds for this Policy comprise the Pension Secure Fund, Pension Balanced Fund and the Pension Growth Fund.
Valuation Date	The date on which the assets to which either the Unit Linked Funds or With Profits Fund is referenced is valued and the date on which the Unit Price is determined.
With Profits Fund	An internal investment fund established for the express purpose of this Policy and run according to Article 29.
Age	Age last birthday.

Article 1 Non Payment of Regular Premium within the first three consecutive years from the Commencement Date and Non-Forfeiture Provisions

- (1) If the premium frequency mentioned in the Schedule is other than Single Premium, then 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, and if not rectified then the provisions of Article 1(2) below shall apply. During the grace period, the benefits under Articles 3 and 4 below will continue to be payable.
- (2) If an installment of Regular Premium is not paid within the period of grace from its due date as defined in Article 1(1) and the due date is less than 24 months from the Commencement Date, then, the Policy will lapse and no death benefit shall be payable.
- (3) The Policyholder may reinstate the Policy within two years of the due date of the first unpaid installment of Regular Premium subject to Article 1(9).
- (4) If the Policy is not reinstated within two years from the due date of the first unpaid installment of Regular Premium, the Policy will automatically terminate without any value at the date of the expiry of the reinstatement period and the surrender value in respect of Top Up Premiums, if any, as per Article 8 shall be paid to the Policyholder at the expiry of the reinstatement period or the commencement of the fourth Policy Year, whichever is later.
- (5) If an installment of Regular Premium is not paid within the period of grace from its due date as defined in Article 1(1) and the due date is greater than or equal to 24 months but less than 36 months from the Commencement Date, then only death benefit payable shall be the Fund Value. All charges as specified in the Schedule will continue to be deducted from the Unit Account.

- (6) The Policyholder may reinstate the Policy within two years of the due date of the first unpaid installment of Regular Premium.
- (7) If the Policy is not reinstated within two years from the due date of the first unpaid installment of Regular Premium, the Policy shall automatically terminate at the date of the expiry of the reinstatement period and a surrender value as per Article 8 shall be payable.
- (8) If the Policyholder wishes to surrender the Policy anytime from the commencement of the fourth Policy Year, then a surrender value per Article 8, if any, shall become payable and the Policy shall automatically terminate.
- (9) If an installment of Regular Premium is not paid within the period of grace and the due date of the Regular Premium is greater than or equal to 36 months from the Commencement Date, then the provisions of Article 9 shall apply.
- (10) During any period of grace, the charges as specified in the Schedule will continue to be made and payable.

Article 2 Additional Regular Premium & Top Up Premium

- (1) Notwithstanding the provisions of Article 7, the Policyholder has the right to increase the level of the Regular Premium subject to the minimum required amount and procedures established by the Company at any time during the Policy Term.
- (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 at least 15 days before such Anniversary. The level of Additional Regular Premium may not be decreased.
- (3) Top Up Premium may be paid at any time during the currency of the Policy provided that no Regular Premium payments are outstanding. The Top Up Premium must be paid to the Company in accordance with procedures established by the Company and may not be less than the minimum Top Up Premium specified by the Company from time to time and applicable at the date of payment.

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) The Fund Value (at the date of notification of death).
 - (b) The value of Accumulation Units in respect of Top Up Premium, if any, (at the date of notification of death) shall also be payable.
- (2) The Policy will immediately terminate on the benefits outlined in Articles 3(1)(a) becoming payable.

Article 4 Maturity Benefit

- (1) If the Policyholder is living on the Maturity Date, the Fund Value as at that date (and if the With Profits Fund is opted, together with any final bonus in relation to the With Profits Fund that the Company may declare), 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) Up to 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.
- (2) The Company guarantees that the value of Units attributable to Regular Premium allocated to the Pension Secure Fund will not be less than the total number of Units in the Unit Account attributable to Pension Secure Fund on the Maturity Date multiplied by their respective Unit Price applicable on the date of the allocation of such Units in the Pension Secure Fund provided that:
 - (a) All Regular Premiums due under the Policy have been paid.
 - (b) This guarantee does not apply on any date other than the Maturity Date specified in the Schedule as at the Commencement Date.

Article 5 Review of Maturity Date

- (1) The Policyholder may, with the prior written consent of the Company upon giving at least 6 months prior 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 exceed 70 years.
- (2) If the Company has agreed to any extension of the Maturity Date as per Article 5(1), then the Policyholder must pay all Regular Premiums during the increased Policy Term. The Policyholder may also opt to convert the Policy to a paid up Policy provided notice of his intention to do so was given to the Company at the time of seeking the Company's consent to the extension of the Maturity Date.
- (3) The Policyholder may reduce the Policy Term after the completion of the first 5 Policy Years provided the age of the Policyholder as on the revised Maturity Date is not less than 40 years.

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 of a Nominee or a Claimant must be communicated to the Company and be incorporated by endorsement on the Schedule. Such nomination or change of nomination will only become effective when it has been communicated to and registered by the Company.
- (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 applicable 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.
- (4) Payment of benefits made before the Company receives written notice of a valid claim by another person releases the Company from further obligation.

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 by reference to the Wholesale Price Index published by the Government of India (or in the event that the Wholesale Price Index ceases to be published, such other index as the Company may reasonably select for this purpose).
- (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 Surrender Value

- (1) If the premium frequency mentioned in the Schedule is other than Single Premium, then:
 - (a) After the commencement of the fourth Policy Year and subject to the payment of Regular Premium due in the first two Policy Years, the Policyholder shall, upon the termination of this Policy for any reason (other than the death of the Insured), be entitled to a surrender value calculated as follows:
 - (i) Value of all Initial Units at their Unit Price less the Surrender Charge applicable to Initial Units plus
 - (ii) Value of all Accumulation Units attributable to Regular Premium at their Unit Price
 - (iii) Value of all Accumulation Units attributable to Top Up Premium at their Unit Price less any surrender charge applicable on Top Up Premiums as specified in the Schedule.
- (2) If the premium frequency mentioned in the Schedule is Single Premium, the Policyholder shall be entitled to a surrender value from the commencement of the fourth Policy Year, equal to the value of the Accumulation Units attributable to Single Premium only at the date of surrender. No surrender charge is applicable on Units attributable to Single Premium. The value of all Accumulation Units attributable to Top Up Premium, if any, less the Surrender Charge on Top Up Premium as specified in the Schedule is also payable.
- (3) The valuation will be carried out as at the date of surrender.
- (4) No partial withdrawals shall be permitted under this Policy.

Article 9 Non Payment of Regular Premium after three consecutive years from the Commencement Date and Non- Forfeiture Provisions

- (1) Subject to Article 10, with effect from the commencement of the fourth Policy Year, if the Policyholder has paid Regular Premium due for the first three consecutive Policy Years, but has failed to pay the Regular Premium due within the grace period of 30 days from the due date of unpaid Regular Premium at any time thereafter, the Policy shall remain in force for 2 consecutive years from the due date of the first unpaid Regular Premium, during which period, the Policy may be reinstated.
- (2) The Policy Administration Charge as described in Article 12(8) will continue to be deducted monthly from the Units in the Unit Account but shall be reduced to the 60% of the Policy Administration Charge applicable for other policies to which this Article 9 or Article 1 does not apply to.
- (3) The Policyholder may exercise any of the 3 options during the 2-year reinstatement period:
 - (a) The Policyholder may reinstate the Policy subject to Article 1(9). If within the reinstatement period, the surrender value of Units attributable to Regular Premium falls below an amount equivalent to one year's Regular Premium, then the Policy shall automatically terminate and the Policyholder will be paid the surrender value as per Article 8;
 - (b) The Policyholder may surrender the Policy in accordance with Article 8 and a surrender value is payable to the Policyholder, pursuant to which the Policy shall automatically terminate;
 - (c) The Policyholder may continue the Policy beyond the reinstatement period without paying further Regular Premium, provided the Company has received a letter from the Policyholder atleast 5 days prior to the expiry of the 2 year reinstatement period, requesting the Company to continue the Policy. If the Company accepts the Policyholder's request:
 - (i) The Policy will continue and
 - (ii) The Company shall continue to levy charges as specified in the Schedule until the surrender value falls below an amount equivalent to one year's Regular Premium, wherein after the Policy will automatically terminate and the Policyholder will be paid the surrender value per Article 8.
- (4) If the Policyholder does not choose any of the options specified in Article 9(3) above, then the Policy and all available benefits per Articles 3 and 4 shall automatically terminate at the expiry of the reinstatement period and the Company shall pay the surrender value to the Policyholder.
- (5) The conditions of this Article 9 shall not be applicable if the premium frequency mentioned in the Schedule is Single Premium.

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) Evidence of date of birth if age has not been admitted.
 - (c) The original or legalised copy of the death certificate showing the cause and date of death.
 - (d) The Company's claim form duly completed.
 - (e) Any other documents required by the Company to admit the claim and to prove the entitlement of the Claimant.

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.
- (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 Regular Premium, Single Premium or Top Up Premium (after deduction of premium or any other applicable tax, if any) shall notionally allocate to the Unit Account the number of Units, including parts of Units after adjusting for the allocation rate specified in the Schedule at the next available Unit Price of the Unit. Units will be allocated in the With Profits Fund or Unit Linked Funds 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) Single Premium and all Top Up Premium will be allocated to 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 Top Up Premium or Single Premium has been received by the Company.
- (7) Each Policy Year, a percentage of Initial Units specified in the Schedule will be redeemed as an Initial Management Charge. Initial Units will be redeemed monthly at their Unit Price for a period as specified in the Schedule.
- (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 redeemed by the Company at their Unit Price as Policy Administration Charge as specified in the Schedule.
- (9) A daily adjustment will be made to the Unit Price as a Fund Management Charge and as specified in the Charges section in the Schedule towards the charge for the management of the investments while calculating the Unit Price on a daily basis.
- (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 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 the Charges payable in consideration of the Policy up to the maximum limit as specified in the Charges section in the Schedule subject to the approval of the Insurance Regulatory and Development Authority or any other applicable regulator. The Company shall give one month's notice of any such review to the Policyholder.

Article 13 Rounding Rules

- (1) 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 fraction and expressed in whole currency units.

Article 14 Taxation

- (1) 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 15 Status of Agent

- (1) 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. Any document or other notice sent by the Policyholder through the agent will only be a valid intimation to the Company from the date and time it is received by and the Company acknowledges its receipt.

Article 16 Correspondence

- (1) All instructions and notifications in respect of the Policy must be given in writing and signed by the Policyholder and delivered 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 and valid.

Article 17 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 17(1) and 17(2) before the Company becomes liable for the payment of any benefit.
- (4) In registering any notice pursuant to Article 17(1) and (2), the Company does not accept any responsibility or express any opinion as to its validity or legal effect.

Article 18 Currency

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

Article 19 Law

- (1) This Policy and the applicable terms and conditions are subject to the Indian law.

Article 20 Section 45 of the Insurance Act 1938

In accordance with Section 45 of the Insurance Act 1938

- (1) No Policy shall after the expiry of two years from the Commencement Date be called into question by the Company on the ground that a statement made in the Proposal or in any report of a medical officer or referee, or friend of the Policyholder, or in any other document leading to the issue of the Policy Document was inaccurate or false unless the Company shows that such statement was on a material matter or suppressed facts which it was material to disclose and that it was fraudulently made by the Policyholder and that the Policyholder knew at the time of making it that the statement was false or that it suppressed facts which it was material to disclose.
- (2) Nothing in Article 20 (1) shall prevent the Company from calling for proof of age at any time if it is entitled to do so, and no Policy shall be deemed to be called in to question merely because the terms of the Policy Document are adjusted on subsequent proof that the age of the Policyholder was incorrectly stated in the Proposal.
- (3) If there is a change in or amendment to Section 45 of the Insurance Act 1938, then it is agreed that the Company's rights to call into question any Policy shall be as per the change in or amendment to the law on the date when the Policy is called into question.

Article 21 Entire Contract

- (1) 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 22 Arbitration

- (1) 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 referred to arbitration to the decision of a sole arbitrator to be appointed in writing by the parties hereto or if they cannot agree upon a single arbitrator within 30 days of any party invoking arbitration, the same shall be referred to a panel of 3 arbitrators to be appointed in accordance with the Arbitration and Conciliation Act 1996. The arbitration proceedings shall be governed by the Arbitration and Conciliation Act 1996 and the seat of the arbitration and venue for all hearings shall be within India..

Article 23 Due Observance

- (1) 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 24 Fraud

- (1) 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.

Article 25 Unit Linked Fund

(This Article is not applicable if the Investment Fund opted for in the Schedule is With Profits 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 alter 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 if Units equal in value to those assets are cancelled in the Unit Linked Fund.

Article 26 Limitation of Interest in a Unit Linked Fund

(This Article is not applicable if the Investment Fund opted for in the Schedule With Profits 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 27 Valuation of the Unit Linked Fund and Charges

(This Article is not applicable if the Investment Fund opted for in the Schedule is With Profits Fund)

- (1) The assets to which the Unit Linked Fund are referenced will be valued at market price net of Fund Management Charges on a daily basis.
- (2) The Company is entitled to deduct from the assets to which the Unit Linked Fund is referenced all expenses relating to brokerage, custodial fee and such other expenses and duties incurred in connection with purchase and sale of assets under the Unit Linked Fund.
- (3) The Company will make all decisions about the selection and valuation of the assets to which a Unit Linked Fund is referenced.

Article 28 Calculations of Unit Prices of a Unit Linked Fund

(This Article is not applicable if the Investment Fund opted for in the Schedule is With Profits Fund)

- (1) The Unit Price of Units of each Fund shall be determined daily as per the regulations/guidelines issued by the Insurance Regulatory and Development Authority or any such body authorized by Government of India to issue such regulations /guidelines from time to time. As per the current guidelines issued by the Insurance Regulatory and Development Authority the Company will determine the Unit Price of each fund shall be determined daily as per the following formula: -
Unit Price = Net Asset Value ("NAV") divided by the number of Units existing in the Fund at the Valuation Date (before any new Units are allocated or redeemed).
The Net Asset Value can be calculated in either of the following 2 methods:
 - (i) **When appropriation price is applied:** The NAV of a Unit Linked Fund shall be computed as the market value of investments held by the Fund plus the expenses incurred in the purchase of the assets plus the value of any current assets plus any accrued income net of Fund Management Charge less the value of any current liabilities and provisions, if any. This is applicable when the Company is required to purchase assets to allocate Units at the Valuation Date.
 - (ii) **When expropriation price is applied:** The NAV of a Unit Linked Fund shall be computed as the market value of investments held by the Fund less the expenses incurred in the sale of the assets plus the value of any current assets plus any accrued income net of Fund Management Charge less the value of any current liabilities and provision, if any. This is applicable when the Company is required to sell assets to redeem Units at the Valuation Date.
- (2) The Unit Price of Units of a Unit Linked Fund will be rounded by not less than three decimal places.

Article 29 With Profits Fund & Charges

(This Article is not applicable if the Investment Fund opted for in the Schedule is Unit Linked Fund)

- (1) Each Unit of the With Profits Fund has a Unit Price to be determined by the Company. The Unit Price is guaranteed by the Company never to decrease, subject to the Market Value Adjustment in 29(12) 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 is entitled to deduct from the assets to which the Unit Linked Fund is referenced all expenses relating to brokerage, custodial fee and such other expenses and duties incurred in connection with purchase and sale of assets under the Unit Linked Fund.
- (5) The Company is entitled to reduce the value of the assets to which the With Profits Fund is referenced by any such charges as may be permitted by regulations from time to time but this will not affect the guarantee in Article (1) above.
- (6) The Company will make all decisions about the selection and valuation of the assets to which a With Profits Fund is referenced.
- (7) 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 from time to time.
- (8) Each Unit of the With profits Fund will have a Unit Price which will be determined by the Company at least once every month. The Unit Price will increase as a result of the application of regular bonus rate addition less Fund Management Charge as specified in the Schedule since the Unit 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.
For this purpose, the equivalent daily Unit growth rate will be determined as follows: -
Equivalent daily growth rate = $[(1 + \text{annual regular bonus rate})^{(1/365)} - 1 - \text{Fund Management Charge}/365] - 1$
- (9) 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.
- (10) 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.
- (11) On redemption 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 redemption. The Company will announce final bonus scales at least once a year.
- (12) In order to ensure fairness of treatment between policyholders, on the redemption of Units in the With Profits Fund under Articles 8 and 9, the Company may reduce the Unit 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 redemption 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 final bonus scale. When applying the MVA, the adjustment in the Unit 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.
- (13) No MVA will be applied in the following circumstances:
 - (a) On the payment of benefits on death.
 - (b) On the Maturity Date.
- (14) The Unit Price of Units of a With Profits Fund will not be rounded by less than three decimal places.

Article 30 Investment Funds

- (1) Depending on the Investment Fund(s) opted for by the Policyholder as evidenced in the Schedule, the Policyholder may select from either the With Profits Fund or the Unit Linked Funds (comprising of the Pension Secure Fund, the Pension Balanced Fund and the

Pension Growth Fund as at the Commencement Date). Unless the With Profits Fund has been opted for by the Policyholder, as evidenced by the Schedule, the Regular Premium, Additional Regular Premium, Single Premium and the Top Up Premium will be used to allocate Units attributable to the Pension Secure Fund, the Pension Balanced Fund or the Pension Growth Fund at the allocation rate and as per the allocation proportion specified in the Schedule (as the same may be amended thereafter as per Article 31) at the next available Unit Price of the Unit. The investment objective of each of the Unit Linked Funds and the With Profits Fund is as follows:

- (a) **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 Unit Price and a Unit Price determined by the Company. The Unit Price is guaranteed by the Company never to decrease (subject to Article 29).
 - (b) **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.
 - (c) **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.
 - (d) **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 20% to 60%, debt securities to the extent of 20% to 60% and money market and cash to the extent of 0% to 20% in order to achieve the investment objective of this Unit Linked Fund.
- (2) The value of Units in each of the Unit Linked Funds will fluctuate depending upon the performance of the assets held and are not guaranteed by the Company (except as per Article 29(1)). 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 Fund Value.

Article 31 Premium Redirection

(This Article is not applicable if the Investment Fund opted for in the Schedule With Profits Fund)

- (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 30(1) where after 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.
- (2) The Company will not allow a request for an amendment to the allocation proportion more than two times in a Policy Year.
- (3) The minimum and maximum allocation proportion in each of the Unit Linked Funds selected may be any figure between 10% and 100%.

Article 32 Unit Switches

(This Article is not applicable if the Investment Fund opted for in the Schedule is With Profits Fund)

- (1) 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 redeem Units of an equal amount from the Unit Linked Fund in which the Units are to be redeemed at the Unit Price of Units of that Unit Linked Fund and after deduction of the Switching Charge as specified in the Schedule, will replace them with Units of the Unit Linked Fund in which the Units are to be created at the Unit Price of Units of that Unit Linked Fund.
- (2) 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 Switching Charge as specified in the Schedule.
- (3) The value of Units switched must not be less than Rs.10, 000 and the value of Units at the Unit Price in a Fund after the cancellation of Units as a result of a Unit switch must not be less than Rs.5, 000 or such other amount specified by the Company from time to time, unless the Policyholder wishes to switch 100% Units to another Fund.
- (4) Unit switches will only be permitted in those Unit Linked Funds available for investment under this Policy.
- (5) 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.
- (6) The right to switch Units from one Unit Linked Fund to another Unit Linked Fund shall immediately and automatically terminate if, a Regular Premium installment is pending for payment on the day of request of the switch.

Article 33 Exclusions

- (1) If the Insured's death is due to suicide or attempted suicide during the first twelve months from the Commencement Date, the Company will only pay the Fund Value, if any, at the date of notification of death.

Article 34 Unit Encashment Conditions

- (1) Units will be redeemed or created at their Unit Price on the date of redemption or creation of those Units.
- (2) In respect of any payment of Regular Premium, Top Up Premium or receipt of any Unit switch request as per Article 32(1) or any other amount received in cash up to 4.15 pm or any other time specified per the circulars/guidelines issued by the Insurance Regulatory and Development Authority (herein after known as "IRDA Guidelines") or any such body authorized by the Government of India to issue such guidelines in this regard from time to time, the closing Unit Price of the day on which the Regular Premium, Top Up Premium is received/Unit switch is processed shall be applicable.

- (3) In respect of the Regular Premiums, Top Up Premium or any other amounts received in cash or receipt of any Unit switch request as per Article 32 (1) or any other amount received in cash after 4.15 pm or any other time as specified per the IRDA Guidelines or any such body authorized by the Government of India to issue such guidelines in this regard from time to time, the closing Unit Price of the next business day on which Regular Premium, Top Up Premiums received shall be applicable.
- (4) In respect of the Regular Premium, Top Up Premium or any other amounts received in cash or receipt of any Unit switch request as per Article 32 (1) or any other amount received in cash after 4.15 pm or any other time as specified per the IRDA Guidelines or any such body authorized by the Government of India to issue such guidelines in this regard from time to time, the closing Unit Price of the next business day on which the Regular Premium, Top Up Premium is received shall be applicable.
- (5) In respect of Regular Premiums/Top Up Premiums or any other amounts received with outstation cheque /demand drafts at the place where such amount is received, the closing Unit Price of the day on which cheque/demand draft is realized shall be applicable.
- (6) In respect of valid applications received by the Company for claims under Article 3, Article 4, or Article 8 by 4.15 p.m. (subject to fulfilling all the terms and conditions specified in the Policy), the same day's closing Unit Price shall be applicable. If such valid applications are received after 4.15 p.m., the closing Unit Price of the next business day shall be applicable.

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Endorsement

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