



STANDARD TERMS & CONDITIONS

Base Plan - YoungAchiever

Article 1 General Provisions

The Insurance provided by Aviva Life Insurance Company India Private Limited (hereinafter called the "Company") operating under the brand name AVIVA is based upon the signed, dated and completed Proposal (hereinafter the "Proposal") and is as detailed in the Policy Document, which comprises the Standard Terms and Conditions, the Rules for the Investment Funds, the Schedule, and the Proposal.

Article 2 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:

Policyholder	An adult as named in the Schedule who has concluded the Insurance with the Company, and owns the Insurance.
Insured	The person named in the Schedule and whose life is the object of the Insurance and, if no person is specifically named, shall mean the Policyholder.
Insurance:	The arrangements established by the Policy Document.
Nominee	The child of the Policyholder whose name appears in the Schedule and who is entitled to receive a benefit upon the death of the Insured in accordance with Section 39 of Insurance Act 1938.
Claimant	The person whose name appears in the Schedule and who has been nominated by the Policyholder to receive a benefit upon the death of the Insured on behalf of and for the benefit of the Nominee if at that time the Nominee is a minor and only during the minority of the Nominee.
Schedule	The schedule and any endorsements thereto issued by the Company to evidence the Insurance, and, if more than one, then the latest in time.
Sum Insured	The minimum guaranteed benefit payable upon death of the Insured as specified in the Schedule, subject to the payment of Regular Premium.
Payment Term	The period between the Commencement Date and the Maturity Date as shown in the Schedule.

Maturity Date	The date as shown in the Schedule on which the benefits become payable provided the Insured is still living or has died but Death Benefit Option "B" is applicable.
Regular Premium	Premiums payable by the Policyholder in regular instalments in the amounts (fixed except as adjusted pursuant to Article 10), in the manner, at the intervals and in the method specified in the Schedule.
Additional Single Premium	Premium paid by the Policyholder in the form of a single payment separately from and in addition to the required Regular Premium.
Unit Linked Fund	An internal investment fund established for the express purpose of this Insurance and run according to Articles 25, 26, 27 and 28.
With Profits Fund	An internal investment fund established for the express purpose of this Insurance and run according to Article 29.
Unit	A proportionate part of either the Unit Linked Fund or the With Profits Fund created solely for the purpose of establishing the benefits under this Insurance.
Initial Unit	A Unit allocated in respect of the payment of Regular Premium during the first two years of the Insurance and in respect of the amount of increase during the first two years after an increase in Regular Premium pursuant to Article 10.
Accumulation Unit	A Unit allocated in respect of payment of Regular Premiums after the first two years of the Insurance, and after the first two years following an increase in Regular Premium pursuant to Article 10, and following the payment of an Additional Single Premium.
Unit Account	An individual account created and administered by the Company for an Insurance and consisting of Initial and Accumulation Units valued by reference to the underlying assets of the With Profit Fund or the Unit Linked Fund.
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 Insurance or on its conversion to a paid up Insurance before the end of the Payment Term.
Purchase Price	The price at which the Company allocates Units in the With Profit Fund or the Unit Linked Fund on that day.
Selling Price	The price at which the Company cancels Units in the With Profit Fund or the Unit Linked Fund on that day.
Policy Value	The total number of Initial and Accumulation Units held in the Unit Account multiplied by their Selling Price.
Commencement Date	The commencement date of the Insurance as specified in the Schedule.
Anniversary	The annual anniversary of the Commencement Date.
Policy Year	The year commencing on the Commencement Date or an Anniversary thereof.

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.

Age: Age last birthday.

Article 3 Policy Loan

3.1 No policy loan is available under the Insurance.

Article 4 Regular Premium & Forfeiture

4.1 It is a condition precedent to the Company's liability to make payment under this Insurance 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 thirty days (or 15 days where payment is due monthly) from the date upon which the Regular Premium should have been paid within which the default shall be rectified.

4.2 If an instalment of Regular Premium is not paid within the period of grace, then:

4.2.1 If the due date is less than 24 months from the Commencement Date, then the Insurance shall be suspended for a period of 6 months within which the Policyholder may reinstate the Insurance by informing the Company in writing of his intention to do so, the proposed date of reinstatement, and paying all Regular Premium from the date of default to the proposed date of reinstatement. The Company reserves the right to obtain additional information (medical or otherwise) before considering the reinstatement. If the Company agrees to reinstatement, the Company shall be entitled to charge the Policyholder for its administrative costs of dealing with the reinstatement. In the event of the Insured's death within the period of suspension or the Policyholder's failure to reinstate within the period of suspension, the Insurance will lapse immediately and the Company shall not be liable to make any payment under this Insurance unless any Additional Single Premium has been paid. If Additional Single Premium has been paid, then the Company shall, as at the date of lapse or the date of death, make payment in respect of Units attributable to that Additional Single Premium in accordance with Article 11.

4.2.2 If the due date of the Regular Premium is more than 24 months from the Commencement Date, Policy will be converted to a paid up policy in accordance with Article 12.3.

4.2.3 During any period of grace the charges described in Article 16.8, 16.9 and 16.10 will continue to be made and payable.

Article 5 Additional Single Premium

5.1 Additional Single Premium may be paid at any time during the Premium Payment Term provided that no Regular Premium payments are outstanding. The Additional Single

Premium must be paid to the Company and in accordance with procedures established by the Company and may not be less than the minimum Additional Single Premium specified by the Company from time to time and applicable at the date of payment.

- 5.2 The payment of Additional Single Premium does not discharge the obligation of the Policyholder to make Regular Premium payments.
- 5.3 The payment of Additional Single Premiums does not affect the amount of Sum Insured

Article 6 Section 45 of the Insurance Act 1938

In accordance with Section 45 of the Insurance Act 1938:

- 6.1 No Insurance 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.
- 6.2 Nothing in Article 6.1 shall prevent the Company from calling for proof of age at any time if it is entitled to do so, and no Insurance 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 Insured was incorrectly stated in the proposal.
- 6.3 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 Insurance shall be as per the change in or amendment to the law on the date when the Insurance is called into question.

Article 7 Benefits

- 7.1 Subject to the admission of the claim by the Company and to Article 14, upon the death of the Insured before the Maturity Date, the Company's liability to make payment shall be determined as follows:
 - 7.1.1 If the Schedule indicates that Death Benefit Option "A" is applicable, then the Company will be liable to pay no more than the total of the Sum Insured plus the Policy Value.
 - 7.1.2 If the Schedule indicates that Death Benefit Option "B" is applicable, then the Sum Insured will be applied by the Company to purchase the Accumulation Units at the prevailing Purchase Price on the date of the settlement of the claim, and the Insurance shall thereafter continue as a paid up policy until the Maturity Date in accordance with Article 12.
- 7.2 Subject to Article 14, if the Insured is living on the Maturity Date, the Company will be liable to pay only the Policy Value as at the Maturity Date.
- 7.3 If the Policyholder does not take policy value on maturity, he can continue the unit account for a maximum of five years after the maturity date. The charges specified in Article 16 will continue except those given in Article 16.8 which shall reduce to 60% of that

applicable for inforce policies during the Premium Payment Term. Charges for life insurance as specified in Article 16.10 will not be applicable during the extended period after the maturity.

Article 8 Nominees

- 8.1 The Policyholder may change the nominated Nominees or Claimant.
- 8.2 A nomination or a change to the 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.
- 8.3 Where a nominated Nominee dies prior to the death benefit becoming payable then benefits shall be paid to the Insured's other Nominees (in proportion to their designated shares of the death benefit), or if no other Nominees have been designated, to the Insured's legal heirs in accordance with applicable Indian law.
- 8.4 A transfer or assignment of the Insurance shall automatically cancel all nominations.
- 8.5 Payment of benefits made before the Company receives written notice of a valid claim by another person releases the Company from further obligation.

Article 9 Exclusions

- 9.1 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 surrender value of accumulation units pertaining to Additional Single Premium at the date of death calculated in accordance with Article 11.

Article 10 Indexation

- 10.1 At each Anniversary except those falling in the 5 years prior to the Maturity Date, the Regular Premium and Sum Insured will be increased by an inflation adjustment from time to time. The Company will determine for each calendar year starting from 1st January, an inflation adjustment increase taking into account the percentage increase in the consumer price index for the period of 12 month ending 6 months prior to the 1st January. Such indexation increase will be subject to a minimum 5% per annum and a maximum 15% per annum.
- 10.2 The Company will send the Policyholder written notice of the increased amount of Regular Premium at least 30 days before each Anniversary. If the increase is not declined in writing at least 5 days before the Anniversary, the adjusted Sum Insured and consequent alteration to the Regular Premium shall automatically come into force on the Anniversary. If the Policyholder declines any inflation adjustment increase, then that increase may not later be reinstated, but the Policyholder shall be entitled to inflation adjustment increases proposed by the Company for any subsequent Anniversary.

Article 11 Full Surrender

- 11.1 After the commencement of the third Policy Year and subject to the payment of Regular Premium, the Policyholder shall, upon termination of the Insurance for any reason other than death of the Insured, be entitled to a surrender value calculated by reference to the Selling Price of all Initial Units (less the Early Redemption Charge) and Accumulation

Units (less any surrender penalty applicable by virtue of Article 11.2). The Early redemption charge will be calculated as under:

Early redemption charge = $[1 - (1/1.05^N)] * \text{value of initial units}$, where N is the outstanding term of the policy.

- 11.2 A surrender penalty deduction will be applied to the value of Accumulation Units attributable to Additional Single Premiums where they are surrendered within three years of the respective date of allocation. The surrender penalty is 5%, 3% and 1% respectively in first, second and third year of creation of units by additional single premium.
- 11.3 Before the commencement of the third Policy Year and subject to the payment of Regular Premium, the Policyholder shall, upon termination of the Insurance for any reason other than death of the Insured, be entitled to a surrender value calculated by reference to the Selling Price of all Accumulation Units attributable to Additional Single Premium less any surrender penalty applicable by virtue of Article 11.2.
- 11.4 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. This administrative cost shall not be greater than Rs.100 with escalation of 5% per annum from 1.1.2004.

Article 12 Paid Up Insurance and Reinstatement

- 12.1 From the commencement of the third Policy Year, the Policyholder may convert the Policy into a paid up policy. On conversion to a paid up Insurance the Policyholder may elect to reduce the Sum Insured to zero and all charges specified in Article 16 with the exception of the monthly charge for administration expenses (Article 16.8) and monthly charge for investment management (Article 16.9) will be terminated. If no such election is made or at the direction of the Policyholder the Sum Insured will be maintained at its current level, then all charges will continue to be made till the Policy Value in respect of Regular Premium reduces to zero at which time the Insurance will terminate.
- 13 12.2 On conversion to a paid up
 - 12.2.1 All Initial Units held in the Unit Account shall be surrendered in accordance with Article 11.1 and the proceeds shall be used to purchase Accumulation Units for the Unit Account at their Selling Price in respect of Regular Premium.
 - 12.2.2 The charges specified in Articles 16.8 will continue to be applied, but will be reduced to 60% of that applicable for inforce policies during the Premium Payment Term.
- 12.3 After conversion the Policyholder may, with the Company's prior written consent, reinstate the Insurance within 24 months of the Insurance being converted to a paid up Insurance, and recommence paying Regular Premium at a level compliant with the minimum amount specified by the Company from time to time provided that:
 - 12.3.1 The Company reserves the right to obtain additional information (medical or otherwise) before considering the reinstatement of a paid up or lapsed Insurance.

12.3.2 The Company shall be entitled to charge the Policyholder for its administrative costs of dealing with the reinstatement subject to a maximum of Rs.100 with escalation of 5% per annum from 1.1.2004.

Article 13 Withdrawals

13.1 During the last 4 Policy Years, the Policyholder may, once each Policy Year, withdraw funds by cancelling Accumulation Units attributable to Regular Premium upto the following values, as long as the value of Accumulation Units remaining meets the Company's minimum requirements in force at that time:

13.1.1 Upto 25% of the Sum Insured in the fourth Policy Year before the Maturity Date.

13.1.2 Upto 50% of the Sum Insured (including the amount withdrawn earlier) in the third Policy Year before the Maturity Date.

13.1.2 Upto 75% of the Sum Insured (including the amount withdrawn earlier) in the second Policy Year before the Maturity Date.

13.1.4 Upto 100% of the Sum Insured (including the amount withdrawn earlier) in the final Policy Year.

13.2 Policyholder may withdraw funds by cancelling Accumulation Units attributable to Additional Single Premium any number of times, as long as the number of Accumulation Units remaining meets the Company's minimum requirements in force at that time and subject to the payment of a surrender penalty as specified in Article 11.2.

13.3 The withdrawals will be processed using the Selling Price at the time of the cancellation of Units and the Company has the right to charge a fee to cover the administrative costs of processing the withdrawals under Articles 13.1 and 13.2, subject to a maximum of Rs.100 with escalation of 5% per annum from 1.1.2004.

13.4 No partial surrenders except those in the last four Policy Years as per Article 13 shall be permissible after the date of death of the Insured in case of Death benefit Option "B"

Article 14 Payment of Benefits and Dealings with the Insurance

14.1 It is a condition precedent to the Company's liability to make any payment under this Insurance that it receives written notice immediately and in any event within 3 months, 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 Claimant and/or Nominee and/or legal heirs.

14.2 The Company shall be under no obligation to make any payment under this Insurance until such time as it has been provided with all information and documentation requested in relation to both the claim and the entitlement of the Policyholder and/or Nominee and/or Claimant and/or legal heir, and in particular the following where applicable:

14.2.1 The Policy.

14.2.2 Evidence of date of birth.

14.2.3 The original or legalised copy of the death certificate showing the cause and date of death.

14.2.4 The Company's claim form duly completed.

14.3 The Company reserves the right to decrease the amount payable under any claim occurs during the period of grace by the amount of any unpaid premiums.

Article 15 Loss of the Policy Document

15.1 If the Policy Document is lost or destroyed, (subject to Article 15.3) 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 has the right to charge a fee for the issue of a copy Policy Document.

15.2 Upon the issue of a copy Policy Document the original Policy Document will cease to have any legal effect.

15.3 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 16 Unit Account and Charges

16.1 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) after adjusting for allocation rate at the next available Purchase Price of the Unit. Units will be allocated in the With Profit Fund or Unit Linked Fund at the allocation rate specified in the Schedule.

16.2 All Regular Premiums due in the first two years from the Commencement Date will be used to allocate Initial Units.

16.3 The amount of increase to the Regular Premium as a result of Indexation due in the first two years from the commencement of such an increase to the Regular Premium will be allocated to the purchase of Initial Units.

16.4 All other Regular Premiums not covered by the provisions of Articles 16.2 and 16.3 above will be allocated to the purchase of Accumulation Units.

16.5 All Additional Single Premiums will be allocated to the purchase of Accumulation Units.

16.6 No Units will be allocated before the Commencement Date of the Insurance or until the Regular Premium or Additional Single Premium has been received by the Company.

16.7 Each Policy Year 5% Initial Units allocated to the Unit Account will be cancelled as an initial management charge to recover the Company's initial expenses in issuing the Insurance. Initial Units will be cancelled monthly at their Selling Price for a period determined by the Company but not exceeding the Premium Payment Term.

16.8 Each month an appropriate number of Accumulation Units including parts of Units allocated to the Unit Account in respect of Regular Premiums will be cancelled by the Company at their Selling Price such that the cash value of the cancelled Units is equal to the monthly charge to meet administration expenses, as determined by the Company. The amount of the monthly charge is initially Rs.50 per month and will be reviewed and adjusted annually by the Company having regard to expense inflation and any changes

experienced by the Company in the cost of administration of policies. Any annual increase will be limited to 15% of the previous level of the charge.

- 16.9 Each month a fixed percentage equivalent to 1% per annum, of Units allocated to the Unit Account will be cancelled as a regular management charge towards the charge for the management of the investments. This charge will be subject to review and change at any time having regard to any changes experienced by the Company in the cost of administration of funds subject to a maximum of 2% per annum. Any increase will be made with prior approval from the Insurance Regulatory and Development Authority (IRDA).
- 16.10 Each month an appropriate number of Accumulation Units, including parts of units allocated to the Unit Account in respect of Regular Premiums will be cancelled by the Company at their Selling Price for an amount equal to the charge for the life insurance, as determined by the Company in accordance with the Company's table of charges which may be reviewed from time to time and approved by the IRDA. Accumulation Units purchased by the payment of Additional Single Premium will be excluded from this charge.
- 16.11 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 16.8, then provided that the Insurance has not been converted into a Paid Up Insurance in accordance with Article 12 the charges are carried forward as a Unit Account debt and an equivalent number of Accumulation Units will be deducted from the Unit Account when possible.

Article 17 Power of Delay of Cancellation

- 17.1 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 With Profits Fund or Unit Linked Fund which holds investments based on property or land.

Article 18 Rounding Rules

- 18.1 All Premium payments paid by the Policyholder to the Company and all benefits paid by the Company are expressed in whole currency units.

Article 19 Taxation

- 19.1 The Company is entitled to make such deductions, which in its opinion are necessary and appropriate, from any of the benefits receivable under the Insurance 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 20 Status of Agent

- 20.1 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. Information given to the insurance agent should not be considered as having been given

to 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 and the Company acknowledges its receipt.

Article 21 Correspondence

- 21.1 All instructions and notifications in respect of the Insurance 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.
- 21.2 The Policyholder should notify the Company of any change of address also involving the Nominee and/or the Claimant under the Insurance. 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 22 Notices

- 22.1 All notices of transfers or assignments or of any other legal transactions affecting ownership of the Insurance or entitlement to benefits under the Insurance must be given in writing to the Company at its address specified in the Schedule.
- 22.2 All notices of nominations under Article 8 must be given in writing to the Company at its address specified in the Schedule.
- 22.3 Any transfer, assignment, nomination or other transaction affecting ownership of the Insurance or entitlement to benefits under the Insurance shall be ineffectual and void against the Company unless and until notice is served in accordance with Articles 22.1 and 22.2 before the Company becomes liable for the payment of benefits.
- 22.4 In registering any notice pursuant to Articles 22.1 and 22.2 the Company does not accept any responsibility or express any opinion as to its validity or legal effect.

Article 23 Currency

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

Article 24 Law

- 24.1 This Insurance and the applicable terms and conditions are subject to Indian law.

RULES FOR THE INVESTMENT FUNDS

Article 25 Unit Linked Fund

25.1 The investment objective of Unit Linked Fund is to provide relatively more progressive capital growth. The fund will comprise of Equities in the range of 0% to 45%, Debt Securities in the range of 50% to 90% and Money Market & Cash in the ranges of 0% to 10% to achieve the above objective. The unit value in the Unit Linked Fund can fluctuate depending upon the

performance of the assets held. Each Unit Linked Fund is referenced to separate and identifiable assets of the Company.

- 25.2 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.
- 25.3 Income received from assets referenced to a Unit Linked Fund will be added to these assets. The amount after allowing for tax, if any, will increase the value of each existing Unit of the respective Unit Linked Fund.
- 25.4 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.
- 25.5 Assets may only be withdrawn from the portfolio of assets to which a Unit Linked Fund is referenced, except as provided in Article 25.4 and 25.5 if Units equal in value to those assets are cancelled in the Unit Linked Fund.
- 25.6 The Company does not guarantee the price of the Units of each Unit Linked Fund.

Article 26 Limitation of Interest in a Unit Linked Fund

- 26.1 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 Insurance.
- 26.2 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 Insurance 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

- 27.1 The assets to which the Unit Linked Fund are referenced will be valued at a frequency to be determined upon the discretion of the Company, but at minimum once per month.
- 27.2 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.
- 27.3 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.
- 27.4 The Company is entitled to deduct from the assets to which the Unit Linked Fund is referenced all expenses, duties and other charges in respect of brokerage and custodial fees.

- 27.5 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 in connection with the Unit Linked Fund 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.
- 27.6 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 28 Calculation of Unit Prices of a Unit Linked Fund

- 28.1 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 Article 28.2 and 28.3.
- 28.2 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%.
- 28.3 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 29 With Profits Fund and Charges

- 29.1 The investment objective of With Profit 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 Money Market 0% to 10%. Each Unit of 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. This guarantee is subject to the Market Value Reduction in Article 29.10 in the limited circumstances in which this deduction applies.
- 29.2 The Company reserves the right to establish further With Profits Funds or to consolidate, sub-divide, close or change the investment pattern of existing With Profits Funds. The Policyholder will be given written notice of any such consolidation, sub-division or closure.
- 29.3 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 Insurance. The Insurance does not confer any title to or any beneficial interest in any assets of the Company.
- 29.4 The Company may deduct the charges referred to in Article 27 from the With Profits Fund but this will not affect the guarantee in Article 29.1.
- 29.5 The With Profits Fund participates in the profits of the Company's life insurance fund in respect of this fund. Profits are attributed to policyholders by means of (i) regular bonuses and (ii) final bonus.
- 29.6 Each Unit of the With Profits Fund will have a Selling Price and Purchase Price which will be determined by the Company normally on each working day but in any event at least once in every month. The Selling Price will increase as a result of the application

of regular bonus rate additions 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:-

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

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

- 29.7 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 Insurance is not reduced.
- 29.8 Regular bonuses are attributed by means of regular increases in the price of Units in accordance with the regular bonus rates, if any, announced by the Company at least once a year. The latest regular bonus rates to be announced will continue to be applied until superseded by a further announcement by the Company.
- 29.9 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. Final bonus scales will be announced by the Company at least once a year.
- 29.10 In order to ensure fairness of treatment between policyholders, on the cancellation of Units in the With Profits Fund under Articles 11, 12 and 13, 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 that Units to the Unit Account 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 reduction 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 Policyholder notice where the MVA is to be applied.
- 29.11 No MVA will be applied in the following circumstances:
- (i) On the payment of benefit on death or on schedule partial withdrawals as per Article 13.
 - (ii) On the payment of the maturity benefit at maturity date

Article 30 Change to the Standard Policy Conditions

- 30.1 None of the Rules for the With Profit Fund and Unit Linked Fund 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.
- 30.2 The Company will notify the Policyholder about any changes to the Rules for the With Profit Fund and Unit Linked Fund and the benefits within four weeks from the date of the change.

Article 31 Entire Contract

31.1 This Policy Document constitutes the complete contract of insurance. No change or alteration to this Policy Document 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 32 Premium Holiday

32.1 If this Insurance has been in force for a continuous and uninterrupted period of five years from the Commencement Date and if all instalments of Regular Premium have been paid, then the Policyholder may thereafter (but only up to 4 times during the Premium Payment Term) defer the payment of Regular Premium for a continuous period of upto six months provided that written notice of the Policyholder's intention to defer the payment of Regular Premium is received by the Company at least thirty days before the entitlement to defer has arisen.

32.2 The Insurance will remain in force during the period of deferral of payment of Regular Premium and all charges that would have been incurred but for the deferral will continue to be deducted from the Unit Account in respect of Regular Premium.

32.3 At the expiry of the deferral period the Policyholder shall resume the payment of Regular Premium and shall with the first instalment of Regular Premium after the expiry of the deferral period, ensure that the amount of Regular Premium deferred is also paid to the Company, failing which the provisions of Article 12 shall automatically apply.

Article 33 Arbitration

33.1 Any and all disputes or differences which may arise under, out of, or in connection with or in relation to this Insurance, 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 and Conciliation Act 1996 or any amendment or re-enactment of it.

Article 34 Due Observance

34.1 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 and/or the Nominee and/or the Claimant and/or the legal heirs shall be a condition precedent to the liability of the Company.

Article 35 Fraud

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

Article 36 Investment Funds

36.1 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:

36.1.1 The With Profits Fund (which is established and run according to Article 29), or

36.1.2 The Unit Linked Funds (consisting of the Secure Fund, the Balanced Fund and the Growth Fund; as provided for in Article 25.2. and which are established and run according to Articles 25 to 28)

36.2 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:

36.2.1 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 29).

36.2.2 Secure Fund: The investment objective of the Secure Fund is to provide progressive capital growth with relatively lower investment risks. The 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.

36.2.3 Balanced Fund: The investment objective of the Balanced Fund is to provide progressive capital growth with relatively lower asset value fluctuations. The 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.

- 36.2.4 Growth Fund: The investment objective of the Growth Fund is to provide progressive capital growth by investing a larger proportion in equities. The 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.
- 36.3 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.
- 36.4 The Company reserves the right to amend the investment objective of any Investment Fund and to add new funds.

Article 37 Amendment of Allocation Proportion

- 37.1 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 36.1 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 16 shall be deducted from the Unit Linked Funds in the allocation proportion or the amended allocation proportion as the case may be.
- 37.2 The Company will not allow a request for an amendment to the allocation proportion more than two times in a Policy Year.
- 37.3 The minimum and maximum allocation proportion in each of the Unit Linked Funds selected may be any figure between 10% and 100%.

Article 38 Unit Switches

- 38.1 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 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.
- 38.2 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 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.

- 38.3 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.
- 38.4 Unit switches will only be permitted in those Unit Linked Funds available for investment under this Insurance.
- 38.5 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.
- 38.6 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 12.

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