

IN THIS POLICY, THE INVESTMENT RISK IN INVESTMENT PORTFOLIO IS BORNE BY THE POLICYHOLDER.

SBI Life Insurance Company Ltd

*Turner Morrison Building, G N Vaidya Marg,
Fort, Mumbai - 400 023*

Golden Gratuity Policy

SBI Life Insurance Company Ltd (which expression includes its assigns and successors, hereinafter called (the 'Company') has received a proposal from the Proposer named in the Schedule hereto, together with a statement and particulars of the Members, << **the Gratuity Trust Deed and Rules of the Gratuity Scheme** >> and has received the initial premium and contribution amount as mentioned in Schedule I for grant of the benefits detailed in Schedule II.

The Policyholder has agreed to furnish such statements and particulars of Members as may be required by the Company from time to time, and also have agreed to pay further premium and contributions as provided in Schedule II as and when they fall due. The Company and the Policyholder have agreed that the proposal and the statement together with any report or other document leading to the issue of this Master Policy <<including but not limited to the Rules of the Gratuity Scheme>> shall form the basis of this contract.

It is agreed that in consideration of the premium and contribution received, and subject to receipt of future premiums and contribution as herein stated, the Company will pay the appropriate benefits as herein stated to the Beneficiary (hereinafter defined), on submission of proof to the complete satisfaction of the Company of the benefit having become payable, and provided that the Schedules, terms and conditions contained in this document are complied with.

The Scheme under which the Master Policy has been issued shall be valid from the Date of Commencement as stated in Schedule I to this policy and will remain in force until discontinued or surrendered. The Company, however, reserves the right to review the terms and conditions of the Scheme after every 12 months, the first review being due 12 months from the date of Commencement of Risk under the policy (i.e. Policy Anniversary Date). The Company may extend the validity of this Policy for a further period of 12 months at a time, unless the Company and the Policyholder mutually agree otherwise.

This Policy including the premium and benefits under this policy will be subject to taxes and other statutory levies as may be applicable from time to time, and such taxes, levies etc. will be recovered, directly and completely from the Policyholder.

Any amendment to the terms and conditions of this Policy shall be given effect to by an endorsement to the Policy and by execution of requisite documents signed by an authorized officer of the Company and the appointed Trustees

The provisions hereinafter contained viz. 'Definitions, General Conditions and the Schedule' form part of this Policy as fully as if recited over the signature affixed hereto.

Schedule I
Policy Details

Title : Golden Gratuity – Unit Linked Group Gratuity Plan
Type Of Policy : Non Participating policy
Master Policy No : XXXXXXXXXXXXXXX
Proposer :
Policyholder :
Policyholder's Address :
Employer :
Date of Commencement of Policy :
Term : One Year Renewable Contact
Initial No. of Members covered :
Initial Premium paid for life insurance cover : Rs. ** (calculated at the rate of Rs. ___per member per annum)
**This amount includes service tax calculated at the rate currently applicable, which is ___%.
Mode of Payment of premium for life cover : Annually in advance
Mode of Payment of contribution : Annually/Half-yearly/Quarterly/Monthly
Due Date(s) of Premium : _____ and annually thereafter
Initial Contribution for Gratuity Benefit : Rs. _____ (calculated on the basis of members' particulars provided to secure the Past service liability)
Annual Contribution for the Gratuity Benefit : Rs.____(calculated on each Policy Anniversary Date with reference to the current members)
Basic Death Benefit (Life Insurance Cover) : <<Rs. _____ *** per member in case of Flat cover
In case of graded cover, Sum Assured as per the grid .
or future service liability (15 working days wages of the member based on wages last drawn for each year of his/her Anticipated Service which is equal to the normal retirement age less the age as on the Commencement / Renewal date , whichever is applicable >>

*** The Company reserves the right to refuse this benefit for a particular member or grant a reduced benefit in respect of a particular member where the Company is not satisfied with the evidence of health of that member.

Gratuity Benefit : The higher of the
a) gratuity amount in respect of a member calculated in accordance with the provisions of the Gratuity Act; and
b) gratuity amount in respect of a member calculated in accordance with the Gratuity Trust Deed/Rules.
The payment of the gratuity benefit is subject to the balance in the Unit account.

*** The Gratuity Benefit will only be payable provided the Member has completed the minimum no. of years of service with the <<Policyholder /Employer>> as prescribed in the Rules.

The Gratuity Act currently states that, on completion of five years of continuous service, the gratuity amount will be equal to 15 working days wages based on wages last drawn for each year of service, subject to a maximum of Rs 3.5 lakhs.

Signed for and on behalf of SBI Life Insurance Company Limited at Mumbai this 2006

Authorised Signatory

Schedule II

Expressions

Meaning

1. SCHEME : _____ Group Gratuity - Life Cover Scheme.
- <<2. RULES : _____ as amended from time to time (herein after called Rules of the Scheme) a certified copy of which has been filed with the Company.>>
3. EMPLOYER : <<_____>>
4. MEMBER(S) : All permanent employees of <<_____>>to <<whom the Rules of the Scheme apply and >>who fulfil the Eligibility Criteria and are admitted to the benefits of this Policy.
5. ELIGIBILITY CRITERIA : All permanent employees of << ___>> who are actively at work* as on the Date of Commencement of Cover for that member and who are aged not less than <<18 >>years and not more than <<64 >> years of age as on the date of admission to the Scheme.

*A member is considered as actively at work provided he/she is not absent from duty on grounds of sickness and is performing in the usual way, all of the regular duties of job on a full time basis on the Date of Commencement of Cover for that Member. Members not meeting this requirement would need to satisfy the underwriting requirements as prescribed by the company.

7. BENEFICIARY : << The benefits under this Policy will be paid to the Policyholder/ Trustees.>>
8. NORMAL RETIREMENT DATE: The date on which the Member attains the age of <<years>>.
9. UNIT ACCOUNT : The Account maintained by the Company in respect of this Policy to which will be credited the Single contributions for past service liability and the Annual contributions from time to time and to which will be debited the benefits paid and applicable charges stated in Annexure Charges.
10. POLICY ANNIVERSARY DATE: 12 months from the date of Commencement under the policy and on the same day of every year thereafter.
11. BENEFITS :
a) **On death/ Total permanent disability due to accident and diseases:** In the event of the death of the Member, due to any reason, whilst life cover for that Member is in force, the Basic Death Benefit plus the Gratuity Benefit, if any subject to maximum of gratuity liability,, as stated in the Schedule I shall become payable.
b) **At withdrawal from service due to any reason:** In the event the Member ceases to be an employee of the Policyholder for any reason, at any time after the Date of Commencement of Policy, but before he ceases to be the Member under this Policy, provided that the Policy is in full force, the Gratuity Benefit, if any, as stated in the Schedule I shall become payable and all Life Insurance Cover for that member shall cease.

On payment of the benefits on death or on withdrawal of service, all liability of the Company in respect of that Member would stand automatically extinguished.

For Benefit payments (by way of Retirement/Permanent total disability whilst in service/Death/Resignation):

- If claim is received with sufficient documents before 4.15p.m:
 - Closing NAV of the same day
- If claim is received with sufficient documents after 4.15 p.m:
 - Closing NAV of the next business day

Schedule III
Terms and Conditions

1. **Premiums for Life Insurance Cover:**

- i. Premiums for Life Insurance Cover shall be paid annually in advance for each Member on the Policy Anniversary Date. A grace period of 30 days is allowed for the payment of premium for each Member.
- ii. If any death occurs within grace period and before the payment of the premium then due and the death claim is admitted, the claim will be settled only after deduction of premiums.

2. **Annual Contributions:**

The Policyholder shall pay to the Company the annual contributions for Future Service Liability in accordance with point 11 of Schedule II. However, with the consent of the Company, this contribution can be paid in half-yearly, quarterly or monthly installments.

3. **Commencement of Cover**

New members recruited subsequent to the Date of Commencement of Risk will be admitted only on the first day of the next Policy month from the date of receipt of intimation from employer and provided risk premiums for such new members have been received by the Company, he/she is within the definition of Member (hereinabove given) and the details pertaining to such Member are furnished to the Company in the format prescribed by the Company has been provided to the Company. Where a member has exited the scheme in the course of a Policy Year, a pro rata refund of premium will be made in respect of that member on the following Policy Anniversary Date.

4. **Allocation of Contributions:**

The Initial Contribution and Annual Contributions received by the Company, net of Risk premium, taxes (if any) and after deducting applicable Premium Allocation Charges will be allocated to the relevant funds in the percentages indicated below. This will be subject to clause ____ of the Terms and Conditions contained in Schedule III of this document pertaining to the redirection facility.

Fund****	Allocation Percentages
Group Liquid Fund	
Group Conservative Fund	
Group Balanced Fund	
Group Growth Fund	

**** Please refer Annexure (Funds) for the description of Funds available.

If the allocation percentages are not specified or less than or more than 100% then at the proposal stage the same will be ascertained before allocation.

The Allocation Rate is 103% of initial contribution received in first policy year.

SBI Life would provide extra allocation of units and the same would be recovered in equal annual instalments over three years by way of cancellation of units.

5. **Creation of Units:**

- a. The Policyholder must inform the Company of the Allocation Percentages selected for each Fund.
- b. The Company will declare NAVs for each Investment Fund periodically. The value of each Investment Fund is the number of units of that Fund multiplied by the relevant NAV for that Fund. The Fund Value will be the aggregate of the values of each Investment Fund.

The Net Asset Value (NAV) of each of the funds will be computed automatically on a daily basis in accordance with the following formula:

When Appropriation price is applied:

$$\frac{\begin{array}{l} \text{Market Value of Investments held by the fund} + \text{Expenses incurred in the purchase of Assets} \\ + \text{Accrued income net of Fund Management Charges} + \text{value of any Current Assets} \\ - \text{value of any Current Liabilities - Provisions, if any} \end{array}}{\text{Number of Units existing at the valuation date}}$$

When Expropriation price is applied:

$$\frac{\begin{array}{l} \text{Market Value of Investments held by the fund} - \text{Expenses incurred in the sale of the Assets} \\ + \text{Accrued income net of Fund Management Charges} + \text{value of any Current Assets} \\ - \text{value of any Current Liabilities - Provisions, if any} \end{array}}{\text{Number of Units existing at the date of valuation}}$$

- c. Units in respect of contributions will be purchased at the relevant NAV as elucidated below:
 - In respect of contributions received up to 4.15 p.m. by the Company along with a local cheque or a demand draft payable at par at the place where the contribution is received, the Closing NAV of the day on which contribution is received shall be applicable.
 - In respect of contributions received after 4.15 p.m. by the Company along with a local cheque or a demand draft payable at par at the place where the contribution is received, the closing NAV of the next working day shall be applicable.
 - In respect of contributions received through outstation cheques / demand drafts at the place where the contribution is received, Standing Instruction on Bank / Credit Card account, ECS facility, the closing NAV of the day on which cheques/demand draft is realized shall be applicable.
- d. The Company will periodically liquidate such number of units from each Investment Fund as are necessary to meet Premiums (where applicable in accordance with clause 1 of Schedule III) and certain expenses/charges referred to in Annexure (Charges).
- e. Investment in the Units is subject to market and other risks and there is no assurance that the objectives of the "Golden Gratuity" product will be achieved. All assets relating to the funds shall be and shall remain in the absolute beneficial ownership of the Company.
- f. The NAV of the units of each fund may fluctuate depending on the factors and forces affecting the markets from time to time and may also be affected by changes in the prevalent rates of interest.
- g. There is no guaranteed return on this product.

6. **Suicide**

If the Life Assured commits Suicide, whether sane or insane, within one year from the Date of Commencement of Risk under the Policy, the Assurance on the Life of the deceased shall be void abinitio. In such event, the premiums paid towards life cover under the Policy shall be refunded, without interest, net of service Tax and the expenses towards stamp duty and medical expenses, if any.

7. **Redirection Facility**

The Policyholder may elect to alter the Allocation Percentages for future contribution by giving notice in writing to the Company seven days prior to the receipt of the relevant contribution. Redirection will be effective prospectively and will not affect existing units. There will be no charge for the first four re-directions in a policy year. Subsequent re-direction shall attract a fee of Rs. 1000 for each re-direction and will be charged by liquidating an appropriate number of units.

8. **Switching Facility**

The Policyholder has the option to switch a percentage of the Fund value at any time by giving the Company notice in writing in the Switch Request Form prescribed by the Company. This shall be done by liquidating the units of that Fund in the following manner;

- If the switch request is received before 4.15 pm of any day, - the Closing NAV of the same day will be applicable.
- If the switch request is received after 4.15 pm of any day, the Closing NAV of the next working day will be applicable.

All switches are subject to administrative limits prescribed by the Company from time to time. Currently, a minimum switch amount of Rs. 10,000 is applicable, unless 100% of the units of a Fund are switched. Four switches in the course of one Policy Year (i.e. the period between two Policy Anniversary Dates) shall be free of charge. A free unutilised switch cannot be carried forward to a future Policy Year. A charge of 0.50% of the switch amount will be levied on each switch in excess of four within the same Policy Year. This charge will however be subject to a maximum of Rs. 5,000 per switch.

9. **Payment of Gratuity Benefits**

When a Gratuity Benefit becomes payable, the Company shall liquidate Units of such value as is equal to the Gratuity Benefit from the then current balance in the Unit Account and pay the claim. The liquidation will be carried out in the same proportion as the asset allocation/redirection opted by the policyholder or as requested by the trustees.

Notwithstanding anything herein contained to the contrary, the Company's liability to the Policyholder under this Policy shall be limited to the benefits assured under the life insurance cover affected in respect of the Members, subject to the terms and conditions applicable to them and the accumulated balance standing to the credit of the Policyholder in the Unit Account.

10. **Loans**

Loans are not available under the policy.

11. **Surrender Value**

The Policyholder may choose to surrender this Policy for the Surrender Value provided that this policy has been in force for a period of at least one year. The Company will liquidate the units before the end of the 30 days from the date of receipt of the surrender request and shall liquidate

the units in the Unit Account and pay this amount to the Policyholder after deducting applicable Surrender Charges (Please refer to Annexure Charges for details.), in the following manner:

- If the surrender request is received before 4.15 pm of any day, - the Closing NAV of the same day will be applicable.
- If the surrender request is received after 4.15 pm of any day, the Closing NAV of the next working day will be applicable.

12. Variations to the Policy

The Company may vary the premium rates, terms, conditions and provisions of this Policy upon giving to the Policyholder three months' notice in writing. Such variations shall apply in respect of all members with effect from the date of such variation or the next Due Date of Premium and Contribution.

Variations in the benefits assured hereunder shall be given effect to by endorsements and by execution of requisite documents under the signature of a duly authorized officer of the Company and the appointed Trustees

13. Revival of the Policy

On non payment of Contribution towards Gratuity liability the Policy will become paid up and will be maintained status quo. The Accumulation of the Fund will continue and the charges/levies are deducted from the Fund by cancellation of units.

Revival period allowed is of 5 years. The policy can be revived by paying total contributions towards gratuity liability determined as per revised valuation and the life cover premium. The life cover will be effective from the date of revival.

If the policy is not revived within 5 years, the policy is terminated and the fund value to the credit of the scheme will be paid to the Master policyholder.

14. Notice

Any notice, information or instruction to the Company must be in writing and delivered to the address intimated by the Company to the Master Policyholder which is currently:

SBI Life Insurance Company Ltd
Group Claims Department
2nd Floor, Kapas Bhavan
Plot No.3A,
Sector 10, CBD Belapur,
Navi Mumbai-400 614.

Any such notice, information and instruction shall be deemed to be served 7 days after the posting, or immediately upon receipt by the Company in the case of recorded hand delivery or courier.

The Company may change the address stated above and intimate the Master Policyholder of such change by suitable means.

Any notice, information or instruction from the Company to the Master Policyholder shall be mailed to the last known address of the Master Policyholder mentioned in Schedule I to this document or to the changed address as intimated to the Company in writing.

15. Forfeiture

Any insurance effected hereunder shall be rendered null and void ab-initio and all moneys paid in respect of that assurance shall belong to the Company, if

a) any conditions herein mentioned, or any endorsements made or any variations evidenced by exchange of documents hereto are contravened; or

b) it is found that a statement made

- in the Member Data given to the Company; or
- in any other document leading to the issue of the Master Policy; or
- in any other document necessary to keep the Master Policy in force

was inaccurate, or false, or not made in good faith, or any material matter or fact was suppressed, then, and in every such case (but subject to the provisions of Section 45 of the Insurance Act, 1938), and all claims to any benefit under this Master Policy shall cease, excepting in so far as whatever relief may be granted as per the law.

16. Termination of Life Insurance Cover

A member's cover will cease on the earliest of:

- a) the date that the member ceases to be a member as defined under this policy,
- b) the date on which the premium for that member ceases,
- c) the date on which any claim is admitted under this policy, and
- d) the date of discontinuance of this Policy.

17. Free look period

The Master Policyholder has a period of 15 days from the date of the receipt of the policy document to review the terms and conditions of the policy and where the Policyholder disagrees to any of the terms and conditions, he has the option to return the policy stating the reasons for his/her objection, in which case he/she shall be entitled to a refund of the amount in accordance with prevalent law.

Currently, the amount payable on free look cancellations would be as follows:

Fund Value + (Policy Administration charges + Premium Allocation Charges, if any) already deducted

MINUS (extra allocation of 3% of the initial contribution)

and

The life cover premium net of service tax after deducting the stamp duty and medical expenses, if any.

On free-look cancellations, the units of each Fund will be liquidated at the NAV as follows:

If the request is received before 4.15 pm of any day - the Closing NAV of the same day will be applicable.

If the request is received after 4.15 pm of any day - the Closing NAV of the next business day will be applicable.

18. Other Matters

- i. The Master Policyholder shall at the request of the Company produce the Master Policy whenever required for the purpose of stamping, reference, inspection or other suitable cause.
- ii. The Company shall not be liable for any action taken in good faith upon any statements and particulars furnished by the Master Policyholder, which shall be, or shall be proved to have been erroneous. Such of the Master Policyholders' records in original, as in the opinion of the Company have a bearing on the benefits provided or the premiums payable hereunder shall be open for inspection by the Company whenever required.
- iii. Where the Company is liable to deduct any tax, levy or any other duties on the benefits to be made under this Master Policy pursuant to any directive from the Government or any competent authority, the Company shall deduct appropriate amounts for that purpose from the respective benefits and shall not be liable to the beneficiaries for the sums so deducted.

iv. This Master Policy is subject to prevailing Indian Laws. Any dispute that may arise in connection with this Master Policy shall be subject to the jurisdiction of the competent Courts of Mumbai.

19. Grievance Redressal Procedures:

Any grievance may be addressed to:
The Compliance Officer, SBI Life Insurance Company Ltd.,
Corporate Office, Turner Morrison Building,
G.N.Vaidya Marg, Fort, Mumbai-400 023.
Phone: 022-6639 2000 .Fax: 6639 2058

Section 41 of the Insurance Act, 1938: "No person shall allow or offer to allow, either directly or indirectly, as an inducement to any person to take out or renew or continue an insurance in respect of any kind of risk relating to lives or property in India, any rebate of the whole or part of the commission payable or any rebate of the premium shown on the policy, nor shall any person taking out or renewing or continuing a policy accept any rebate, except such rebate as may be allowed in accordance with the published prospectus or tables of the insurer."

Section 45 of Insurance Act, 1938: "No Policy of life insurance effected before the commencement of this Act shall after the expiry of two years from the date of commencement of this Act and no policy of life insurance effected after the coming into force of this Act shall, after the expiry of two years from the date on which it was effected, be called in question by an insurer on the ground that a statement made in the proposal for insurance or in any report of a medical officer, or referee, or friend of the insured, or in any other document leading to the issue of the policy, was material matter or suppressed facts which it was material to disclose and that it was fraudulently made by the policy-holder and that the policy holder knew at the time of making it that the statement was false or that it suppressed facts which it was material do disclose; Provided that nothing in this section shall prevent the insurer from calling for proof of age at any time if he is entitled to do so, and no policy shall be deemed to be called in question merely because the terms of the policy are adjusted on subsequent proof that the age of the life insured was incorrectly stated in the proposal."

20. Annexure-Charges

1. *Policy Administrative charges*

Policy Administrative charges are required to meet administration expenses. They are met by liquidating appropriate number of units from each Fund in the ratio of the value of the respective Fund to the Fund Value.

Policy administrative charges will be levied in advance on the first working day of each policy month at the rates mentioned below. This will be levied by canceling an appropriate number of units.

Monthly policy administrative charges will be equal to Rs.50 per annum per member subject to a maximum of Rs. 50,000 per annum per Scheme.

1/12 of the annual administration charge will be recovered at the beginning of each policy month by cancellation of units of equivalent amount from the unit account.

2. *Fund Management charges*

Fund Management charges are charges levied as a percentage of the relevant Fund and depend on the Fund Size. This Charge will be reflected in the NAV of the respective Fund.

Currently, the annual Fund Management charge for each fund is as follows:

Fund Size	< 4 Cr.	>= 4 and < 10 Cr.	>= 10 and < 25 Cr.	>= 25 Cr.
Group Liquid fund	0.80%	0.70%	0.60%	0.50%
Group Conservative fund	0.90%	0.80%	0.70%	0.60%
Group Balance Fund	1.00%	0.90%	0.80%	0.70%
Group Growth Fund	1.10%	1.00%	0.90%	0.80%

The NAV will be declared with highest FMC rates i.e. Group Liquid Fund 0.80%, Group Conservative Fund 0.90%, Group Balance Fund 1.00%, Group Growth Fund 1.10% and the difference between this rate and the actual applicable rate (as per above grid) will be credited by way additional allocation of units on daily basis

The rates of the fund management charge may be increased by the Company from time to time after clearance from the IRDA, but shall not exceed 2.50% per annum in any event.

3. *Switching charges*

A charge of 0.5% of the switch amount, subject to a maximum of Rs.5,000 per switch, will be levied on each switch in excess of four switches within the same Policy Year. This will be recovered by cancelling appropriate number of units from the unit account at the time of the Switch.

4. *Premium Allocation Charges*

No premium allocation charges for Initial contribution

The contribution charge will be recovered from the annual contribution before allocation of the same to the unit account. This will depend on the amount of the Annual Contribution as follows:

Annual Contribution	% of Annual Contribution
Upto Rs. 15 lacs	2.0%
above Rs. 15 lacs	Nil

5. *Surrender Charges*

This is a charge levied on the unit fund at the time of surrender of the contract. The surrender value will be the fund value minus the surrender charge as given below:

Policy Year	Surrender Charge as a Percentage of Account Value
2	1% + 66.67% of extra allocation
3	0.50% + 33.33% of extra allocation
4	0.25%
5th and onwards	Nil

No Surrender is permitted in the first Policy year.

6. *Re-direction Charges*

A charge of Rs. 1000 for each re-direction will be levied on each re-direction in excess of four re-directions within the same Policy Year. This will be recovered by liquidating an appropriate number of units at the time of the re-direction

NOTE: All Charges may be altered beyond the maximum limits specified above with prior approval of the Insurance Regulatory and Development Authority.

Annexure-Funds

Group Liquid Fund : Here fund can have 100% exposure towards money market instrument or Govt Securities.

Group Conservative Fund : Here the fund will be mainly invested into government securities and corporate bonds, the exposure towards money market/cash is capped at 20%

Group Balanced Fund : Here the fund is exposed to equity market upto a maximum limit of 30% for relatively better returns.

Group Growth Fund : This fund is more equity oriented fund upto maximum of 60%

ASSET TYPES	Group Liquid Fund (%)	Group Conservative Fund (%)	Group Balanced Fund (%)	Group Growth Fund (%)
Govt. Securities	Upto 100%	50-80	20-50	0-30
Corporate Bonds (Investment Grade)	Upto 20%	0-50	20-40	0-30
Money Market Instruments/ Cash	Upto 100%	0-20	0-20	0-20
Equities	Nil	Nil	Upto 30%	Upto 60%
Risk	Low	Low to Medium	Medium to High	High

The Company shall select the investments, including derivatives and units of mutual funds, by each fund at its sole discretion subject to the investment objectives of the respective plan and the IRDA regulations.

The Fund Value is the product of number of units held under a fund multiplied by the NAV of that fund.

The Company reserves the right to add new funds option to or close any of the above mentioned funds.

Note: The exposure towards money market for all the above mentioned Funds is capped at 20%

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