Details of Product Provider

HSBC Life (Singapore) Pte. Ltd. (“HSBC”, “We”, “Our”, “Us”) (Reg. No. 199903512M) is the product provider and underwriter for this product. This product is distributed through HSBC’s representatives or appointed distributors only.

Important Notes

This document contains a summary of the main product features only. The content of this summary may vary from the terms of the Policy General Provisions finally issued to you. Only terms in your Policy General Provisions are binding between us. Please refer to the Policy General Provisions for details on contractual provisions and definitions of terms used in this document, unless otherwise defined in this document. A sample of the Policy General Provisions is available upon request. In this Product Summary, reference to “Age” means the Life Insured’s age next birthday and the illustration is based on either Singapore dollars (SGD) or United States dollars (USD), depending on the Policy Currency you have chosen.

As buying a life insurance policy is a long-term commitment, an early termination of the policy usually involves high cost and the surrender value, if any, that is payable to you may be zero or less than the total premiums paid.

Please refer to the Policy Illustration which illustrates the surrender value you may receive in different Policy Years if you intend to surrender your Policy.

We urge you to carefully examine the features of this product, particularly the surrender provisions and your investment objectives/expectations, with your financial adviser before deciding to invest.

Your investment returns are not guaranteed and the amount you get back will depend on the investment performance of the ILP Sub-Fund(s) (defined below) you have chosen and the charges on your Policy.

If any information provided in the insurance application is untrue, inaccurate or incomplete, the Policy may become void from the start and we reserve the right to amend or revoke the Policy or adjust the Benefits at our sole and absolute discretion. If the Policy is void or revoked, we will refund the Premium(s) you paid without interest, less any medical and/or underwriting expenses incurred in accepting your application and any withdrawals made.

Product Description

1. Nature and Objective of the Product

- A 5, 10 or 15-year limited premium payment investment-linked product that provides insurance protection up to Age 99.

- This product is available in SGD and USD.

- This product allows you to invest your money in a range of investment-linked policy sub-funds (“ILP Sub-Funds”) made available to meet your investment needs. We may add additional or withdraw any ILP Sub-Fund(s) as we deem appropriate. You can visit https://fundprices.insurance.hsbc.com.sg for the updated list of ILP Sub-Funds available for the Policy. Please see the respective Product Highlights Sheets and Fund Summaries for further details on each ILP Sub-Fund.

2. Insurance Benefits

2.1 Death and Terminal Illness (TI) Benefit

Death Benefit

While the Policy is in force and when the Life Insured dies, we will pay the Death Benefit, which is the higher of:

(i) the Sum Insured; and
(ii) the Net Asset Value,

calculated as at the time we receive the claim notification under the Policy, after deducting all outstanding Fees and Charges and any other amounts owing to us.

The Sum Insured is the amount which is the aggregate of:

(i) 101% of total Premiums paid; and
(ii) all Top-up Premiums and Recurrent Single Premiums,

less all Partial Withdrawals and Regular Withdrawals during the Policy Term.

The Sum Insured increases when a Top-up Premium or Recurrent Single Premium is made and decreases when a withdrawal is made.

Terminal Illness Benefit

When the Life Insured is diagnosed with Terminal Illness, we will pay the Terminal Illness Benefit in one lump sum as an advancement of the Death Benefit.

The maximum Terminal Illness Benefit payable is capped at an aggregate of SGD 3 Million (or its equivalent in the Policy Currency) in respect of all policies issued by us and other insurance companies for the same Life Insured.

The Terminal Illness Benefit payable under this Policy will reduce the Sum Insured and the Net Asset Value of this Policy. The Terminal Illness Benefit payable under this Policy (subject to the aggregate limit of SGD 3 Million) shall be deducted from:

(i) the Sum Insured, if the Sum Insured is higher than the Net Asset Value. The Net Asset Value will be reduced by the same percentage as the reduction in the Sum Insured;
(ii) the Net Asset Value, if the Net Asset Value is higher than the Sum Insured. The Sum Insured will be reduced by the same percentage as the reduction in the Net Asset Value; or
(iii) both the Sum Insured and the Net Asset Value, if the Sum Insured and the Net Asset Value are equal.

The Units in the respective Fund(s) will be realised at the Unit Price on the next applicable Valuation Date immediately following the date we receive notice of the claim.

The remaining Sum Insured or Net Asset Value after deducting the Terminal Illness claim (whichever is higher) will be payable upon Death or Accidental Death of the Life Insured.

The Policy terminates upon full payment of the Death Benefit.

<u>Definitions</u>
"Net Asset Value" refers to the total value of the ILP Sub-Fund(s) you invested into under the Policy. This amount is calculated by multiplying the number of Units allocated to each of the relevant ILP Sub-Funds in the Policy by that ILP Sub-Fund's Unit Price on the next applicable Valuation Date.

"Premium" refers to the amount payable to us in advance on each Policy Anniversary, or where agreed by us on an instalment basis (half-yearly, quarterly or monthly) in order to keep the Policy in force.

"Terminal Illness" refers to any condition caused by illness or injury, where at the time of claim, despite all reasonable medical treatment, the Life Insured is expected to live for no more than 12 months. The specialist medical practitioner treating the condition must provide supporting evidence of the condition, possible medical treatment, the prognosis after undergoing the possible medical treatment, and certify that the Life Insured is expected to live for no more than 12 months despite all possible medical intervention. We reserve the right to appoint an independent medical specialist who is an expert in the condition to confirm the diagnosis and prognosis. Terminal Illness in the presence of Human Immunodeficiency Virus (HIV) infection is excluded.

"Valuation Date" refers to the date on which the assets of each ILP Sub-Fund are valued, as determined by the respective fund manager(s) from time to time. There will be at least one Valuation Date each week.

2.2 Accidental Death Benefit

While the Policy is in force and before the Life Insured reaches Age 75, if the Life Insured's death is caused by an Accident, we will pay the Accidental Death Benefit which is the highest of:

(i) the Sum Insured;
(ii) the Accidental Death Sum Insured; and
(iii) the Net Asset Value,

calculated as at the time we receive the claim notification under the Policy, after deducting all outstanding Fees and Charges and any other amounts owing to us.

The Accidental Death Sum Insured is the amount which is the aggregate of:

(i) 200% of total Premiums paid (capped at SGD 2 Million or its equivalent in the Policy Currency, in respect of all policies issued by us for the same Life Insured); and
(ii) all Top-up Premiums and Recurrent Single Premiums,

less all Partial Withdrawals and Regular Withdrawals.

The Policy terminates upon full payment of the Accidental Death Benefit.

Definitions

"Accident" refers to an event caused solely and independently of all other causes and directly by violent, unexpected, external and visible means.

"Accidental Death" refers to death caused by an Accident.

2.3 Change of Life Insured Benefit

You may request to change the Life Insured up to 2 times throughout the Policy Term as long as such replacement occurs no earlier than 12 months from the Issue Date. To request to change the Life Insured, you must use the prescribed application form(s) and meet the requisite conditions.

Our acceptance of any replacement of life insured is at our sole and absolute discretion and is subject to the following conditions:

(i) you provide satisfactory evidence that you have an insurable interest in the new life insured;
(ii) the new life insured meets our prevailing underwriting requirements; and
(iii) you fulfil such other terms and conditions as we shall determine from time to time.

You cannot change the Life Insured if we have paid a claim under the Policy.

Once the change in life insured becomes effective:

(i) all supplementary benefit(s) covering the original Life Insured will be terminated;
(ii) a new suicide and incontestability period will apply;
(iii) you will receive a revised Policy Schedule reflecting the new life insured's particulars and revised expiry dates; and
(iv) the cover for the original Life Insured ends and the cover for the new life insured starts on the new Issue Date as shown in the revised Policy Schedule. For the avoidance of doubt, all rights in connection with the original Life Insured will be terminated with immediate effect.

If it is not possible to substitute the Life Insured under the Policy due to any applicable law or regulation or other practical constraints, then, subject to our acceptance of the new life insured, we may issue a new policy to you on the life of the substitute life insured and the Policy covering the original Life Insured will automatically be terminated once the new policy is effective. For the avoidance of doubt, the terms of the new policy may not be identical to the terms of the Policy.

2.4 Bonuses

Welcome Bonus

The Policy pays out a Welcome Bonus which is calculated as a percentage of the Premium paid for the first year of the Policy, as stated in the table below:

Annualised Premium	Welcome Bonus		
	5-Year	10-Year	15-Year
$6,000 to less than $12,000	-	15.0%	20.0%
$12,000 or above	30.0%	40.0%	55.0%

When you reduce your Premium, we will recover your Welcome Bonus according to the following formula:

$$WB\ Recover = (WB_{Curr} - WB_{Rev}) \times \left(\frac{PT - t}{PT}\right)$$

$WB\ Recover$ is the amount to recover when you request for premium reduction and approved by us. Units in the respective ILP Sub-Fund(s) at the Unit Price based on your prevailing fund allocation will be deducted accordingly when the reduced Premium takes effect i.e. the Premium due date immediately following the date on which we have approved the premium reduction application.

WB_{Curr} is the current Welcome Bonus amount where:
$WB_{Curr} = current\ premium\ (annualised) \times Welcome\ Bonus\ based\ on\ current\ \ premium\ (annualised)$

WB_{Rev} is the reduced Welcome Bonus amount where:
$WB_{Rev} = reduced\ premium\ (annualised) \times Welcome\ Bonus\ \ based\ on\ reduced\ premium\ (annualised)$

PT is the Premium Term expressed in months

t is the number of Premium(s) paid, expressed in months that has passed from the Issue Date

<u>**Example 1**: Illustration on Welcome Bonus recover calculation upon premium reduction:</u>

A Policyowner buys a 10-year Premium Term plan and contributes $15,000 annually. He subsequently reduces his Premium to $9,000 after Policy Year 4 (i.e. 48 months later), followed by another reduction to $6,000 after Policy Year 6 (i.e. 72 months later).

<u>For the 1st reduction of Premium</u>
Current Welcome Bonus amount = $15,000 x 40% = $6,000

Reduced Welcome Bonus amount = $9,000 x 15% = $1,350

Welcome Bonus Recover = ($6,000 - $1,350) x [(10 x 12 – 48) / (10 x 12)] = $2,790

Assuming a Unit Price = $1.00

Total Units in Policy to be deducted = 2,790 Units

For the 2nd reduction of Premium
Current Welcome Bonus amount = $9,000 x 15% = $1,350

Reduced Welcome Bonus amount = $6,000 x 15% = $900

Welcome Bonus Recover = ($1,350- $900) x [(10 x 12 – 72) / (10 x 12)] = $180

Assuming a Unit Price = $1.00

Total Units in Policy to be deducted = 180 Units

Loyalty Bonus

You will be entitled to a loyalty bonus ("Loyalty Bonus") at the end of Premium Year 10, and every 2 years thereafter until Premium Year 24 if your Policy is still in force at the relevant time.

The Loyalty Bonus is equivalent to one percent of the prevailing Net Asset Value after deduction of any Top-up Premium(s) and Recurrent Single Premium(s), net of the premium charge, in the preceding 24 calendar months. For avoidance of doubt, if the Net Asset Value after deduction is negative, no Loyalty Bonus will be payable.

Definitions:

"Premium Year" refers to the following:

During the Premium Term:
"Premium Year(s)" refers to the number of years you have paid your Premium or Premium Instalment to us, rounded up to the nearest whole number.

If you take a Premium Holiday, any period of Premium Holiday will not be counted towards the Premium Year(s) until payment of Premiums resume. Refer to Example A below.

After the Premium Term:
"Premium Year(s)" refers to the total number of Premium Year(s) as calculated at the end of the Premium Term and increases by 1 year for each completed year after the year that the final Premium or Premium Instalment has been paid. Refer to Example B below.

Example A
A Policyowner buys a 5-year Premium Term plan
He takes a Premium Holiday on the 5th Policy Year and resumes his final premium payment on the 6th Policy Year.

Policy Year 1 = Premium Paid = Premium Year 1
Policy Year 2 = Premium Paid = Premium Year 2
Policy Year 3 = Premium Paid = Premium Year 3
Policy Year 4 = Premium Paid = Premium Year 4
Policy Year 5 = Premium Holiday (Policy remains at Premium Year 4)
Policy Year 6 = Premium Paid = Premium Year 5 *(final Premium or Premium Instalment)*

<u>Example B (Continued from Example A) - No more Premiums payable</u> Policy Year 7 = Premium Year 6 (*Premium Year increases by 1 year for each completed year after the final Premium or Premium Instalment has been paid*) Policy Year 8 = Premium Year 7 Policy Year 9 = Premium Year 8 Policy Year 10 = Premium Year 9 Policy Year 11 = Premium Year 10

Example 2: Illustration on how Loyalty Bonus is calculated with Top-up Premium:

A Policyowner buys a 5-year Premium Term plan and contributes $20,000 annually. He decides to additionally contribute a one-time Top-up Premium of $5,000 in Premium Year 11.

Premium Year 10: Assume Net Asset Value is $110,000.
Loyalty Bonus = 1% x $110,000 = $1,100

Premium Year 11: Ad hoc Top-up Premium of $5,000. Assume the Top-up Premium Charge is $150, paid by cancellation of Units. Assume Net Asset Value after Top-up Premium is $115,000.

Premium Year 12: Assume Net Asset Value remains at $115,000.
Loyalty Bonus = 1% x [$115,000 – ($5,000 – $150)] = $1,101.50

Premium Year 14: Assume Net Asset Value has increased to $120,000.
Loyalty Bonus = 1% x $120,000 = $1,200

At Premium Year 14, Premium Year 11's Top-up Premium did not occur in the preceding 24 calendar months, hence it will be included for the purpose of Loyalty Bonus calculation.

2.5 Maturity Benefit

If the Policy matures on the Expiry Date without any death or Terminal Illness claims, the Maturity Benefit payable to you in one lump sum is the Net Asset Value after deducting all outstanding Fees and Charges and any other amounts owing to us.

<u>Definitions:</u> "Expiry Date" is the date on which our obligation to pay the Benefits ceases. It is shown in the relevant Policy Schedule(s).

The Policy terminates upon the full payment of the Maturity Benefit.

3. Premium Payment

- Premiums are payable throughout the 5, 10 or 15-year premium payment term according to the Premium Term you have selected.

- You can only apply to increase your Premium contributions after the Issue Date if you had previously reduced the Premium with our consent. The increased Premium cannot be greater than the original Premium amount you paid.

<u>Definitions:</u> "Issue Date" is the date on which we issue the Policy to you, as stated in the relevant Policy Schedule(s).

- After the 3rd Premium Year, you can apply to reduce your Premium contributions at the next Premium due date, i.e. after Premium Instalments for: 36 monthly, 12 quarterly, 6 half-yearly or 3 annual Premiums have been paid. The reduced Premium should not be less than the minimum amount as stated in Section 4 “Subscription of Units”. We will recover the Welcome Bonus upon premium reduction.

- A Premium Holiday option is available to you at any time after 2 Premium Years, i.e. after Premium Instalments for: 24 monthly, 8 quarterly, 4 half-yearly or 2 annual Premiums have been paid. This feature allows you to stop paying regular scheduled Premiums for a specific period of time. The unpaid Premiums will not be considered a debt to us.

- If you stop paying Premiums within the first 2 Policy Years, the Policy will terminate. Any Net Asset Value less the applicable surrender penalty charge will be paid to you.

- After the first 2 Policy Years, if you do not pay any Premium (or Premium Instalment) by the expiry of the relevant Grace Period and if the Policy has acquired Net Asset Value, Premium Holiday will be automatically activated and the Policy will be converted to a Paid-up Policy with effect from the due date of the unpaid Premium (or Premium Instalment, as the case may be). All Fees and Charges, if applicable, will continue to be charged on the Paid-up Policy on a monthly basis and if the Net Asset Value is no longer enough to pay the Fees and Charges or drops to zero, the Policy will lapse. No payment of dividends will be made during the period when the Net Asset Value is no longer enough to pay the Fees and Charges.

4. Subscription of Units

- You may subscribe for Units using the payment methods that we make available, which may include cheque, credit card or inter-bank giro.

- You can subscribe with a minimum annualised Premium as follows:

5-year	10-year	15-year
$12,000 per annum	$6,000 per annum	$6,000 per annum

  and invest this into a maximum of 10 ILP Sub-Funds.

- Pricing of Units is done based on single pricing basis. The price at which you purchase the Units and the price at which you sell the Units is the Unit Price.

- As Units are issued on a forward pricing basis, the issue price of Units will not be ascertainable at the time of your application.

- The Unit Price(s) used will be determined on the next applicable Valuation Date immediately following the date we receive the Premium Instalment. The Units are then credited into your Policy.

Example 3: Illustration on subscription of Units before Policy charges in the 1st year:

A Policyowner buys a 10-year Premium Term plan and contributes $6,000 annually.

Assuming a Unit Price at the start of 1st year = $1.00

Premiums allocated to buy Units = 100% x $6,000 = $6,000

Units purchased before charges = $6,000 / $1.00 = 6,000 Units

Total Units in Policy before charges = 6,000 Units

5. Fees and Charges

All fees and charges described in Section 5.1, 5.2, 5.3, 5.4 and 5.5 are deducted by the cancellation of Units.

5.1 Premium Charge

Premium(s)
You do not need to pay a premium charge for Premium(s). 100% of the Premium(s) will be used to purchase Units in the respective ILP Sub-Fund(s) at the Unit Price.

Top-up Premium(s) & Recurrent Single Premium(s)
The premium charge for Top-up Premium(s) and Recurrent Single Premium(s) is 3% of the Top-up Premium or Recurrent Single Premium paid. The premium charge is paid by cancellation of Units, after allocation of the Top-up Premium or Recurrent Single Premium (as the case may be).

The Units in the respective ILP Sub-Fund(s) will be realised at the Unit Price on the next applicable Valuation Date following the day the charges are calculated. The Units will be deducted according to the proportion that the Net Asset Value of each ILP Sub-Fund bears to the total Net Asset Value.

The premium charge for Top-up Premium(s) and Recurrent Single Premium(s) is guaranteed throughout the Policy Term.

Example 4: Illustration on Premium Charge for Top-up Premium

Assuming a Top-up Premium of $10,000 and a Unit Price of $1.00

Units purchased with Top-up Premium = $10,000 / $1.00 = 10,000 Units

Premium charge on Top-up Premium = 3% of $10,000 = $300

Units deducted for Top up Premium charge = $300 / $1.00 = 300 Units

Units in policy after Premium Charge = 10,000 – 300 = 9,700 Units

5.2 Product Administration Fee (PAF)

For the first 24 Premium Years, an annual PAF is payable by cancellation of Units from your Policy on a monthly basis. If there is rounding of the fee, it will be rounded down.

The monthly PAF is calculated in accordance with the following formula:

Monthly PAF = (Annual PAF rate / 12) X annualised Premium at Commencement Date x [lower of (Policy Year and Premium Term)]

Premium Year	Annual PAF rate
1 to 8	2.50%
9 to 24	0.60%

For avoidance of doubt, the PAF is payable during any Premium Holiday period. Once the Premium payment resumes, the annual PAF will continue to apply to the respective Premium Year.

The rate of PAF is not guaranteed. We reserve the right to revise the rate of PAF by giving you at least 30 days' advance notice in writing.

Example 5: Illustration on the extension of product administration fee period due to Premium Holiday

A Policyowner contributes an annual Premium of $6,000 for a 10-year Premium Term plan.

The Policyowner exercises Premium Holiday between Policy Year 6 to 8, and subsequently resumes Premium payment. The table below shows the PAF applicable for the respective periods:

Policy Year	Premium Year	Annual Premium	Annual PAF rate
1 – 5	1 – 5	$6,000	2.50%
6 – 8	Policy remains at Premium Year 5	Premium Holiday	2.50%
9 – 11	6 – 8	$6,000	2.50%
12 – 27	9 – 24	$6,000 for Policy Year 12 and 13 to complete 10-year Premium Term	0.6%
28 onwards	25 onwards	Not applicable	0.0%

<u>**Example 6**: Illustration on PAF at start of Policy Year 1 / Premium Year 1:</u>
(*Continued from Example 5*)

Monthly PAF = 2.50%/12 x $6,000 x 1 = $12.50

Assume a Unit Price = $1.00

Units deducted for PAF = $12.50 / $1.00 = 12.50 Units

Units in Policy before deduction for PAF = 6,000 Units

Units in Policy after deduction for PAF
= 6,000 Units – 12.50 Units
= 5,987.50 Units

<u>**Example 7**: Illustration on PAF in Policy Year 12 / Premium Year 9:</u>
(*Continued from Example 5*)

Monthly PAF = 0.60%/12 x $6,000 x 10 = $30

Assuming the Unit Price = $1.04,

Units deducted for PAF = $30 / $1.04 = 28.85 Units

5.3 Insurance Charge

You do not need to pay an insurance charge. We will not deduct Units allocated to the Policy.

5.4 Switching Fee

No switching fees are currently payable for switches done from one Fund to another. However, we reserve the right to charge a switching fee or limit the number of switches and we will give you at least 30 days' advance notice in writing before we impose such a fee or limit.

5.5 Surrender Penalty Charge

There will be a surrender penalty charge for any Partial Withdrawal or Full Surrender made on or before 8, 10 or 15 Premium Years according to your chosen Premium Term as per the table below:

Premium Year	Surrender Penalty (%) according to the Premium Term		
	5-year	10-year	15-year
1 or less	100%	100%	100%
2	100%	100%	100%
3	75%	75%	75%
4	60%	60%	70%
5	50%	50%	60%
6	30%	40%	50%
7	20%	30%	40%
8	10%	20%	30%
9		10%	20%
10		5%	10%
11			8%
12			8%
13			8%
14			8%
15			8%

The same surrender penalty scale will apply to the Net Asset Value of the Policy regardless of whether Units were purchased with Premiums, Top-up Premiums or Recurrent Single Premiums.

Example 8: Illustration on the extension of surrender penalty charge due to Premium Holiday
(Continued from Example 5)

Policyowner takes a Premium Holiday on Policy Year 6 – 8. His surrender penalty charge will be as follows:

Policy Year	Premium Year	Annual Premium	Surrender Penalty % according to the Premium Year (if applicable)
1	1	$6,000	100%
2	2	$6,000	100%
3	3	$6,000	75%
4	4	$6,000	60%
5	5	$6,000	50%
6	5	Premium Holiday	50%
7	5	Premium Holiday	50%
8	5	Premium Holiday	50%
9	6	$6,000	40%
10	7	$6,000	30%
11	8	$6,000	20%
12	9	$6,000	10%
13	10	$6,000	5%

Any fees described in Sections 5.6 are deducted from the asset value of each ILP Sub-Fund:

5.6 ILP Sub-Fund Annual Management Fee and Other Charges

The annual management fee and other charges for the ILP Sub-Fund(s) will vary from one ILP Sub-Fund to another. The annual management fees and other charges are not guaranteed, and are determined by the fund managers. Please refer to Section 8 of the applicable ILP Sub-Fund's Fund Summary for further details.

6 Top-up Premium(s) and Recurrent Single Premium(s) (RSP)

- You may choose to do ad-hoc Top-up Premium(s), starting from the 13th Policy Month and before the Life Insured attains Age 70, into one or more ILP Sub-Funds. The minimum Top-up Premium amount is $500 in your Policy Currency. You cannot apply to pay Top-up Premium(s) during any Premium Holiday.

- To place a Top-up Premium, you must complete and submit our prescribed form. If your application reaches our correspondence address before 2 pm on a business day, it will be processed on the same business day. If your application is received after 2 pm, it will be processed on the next business day.

- You may also choose to make regular Top-up Premium through RSP contribution, after the Premium Term and before the Life Insured attains Age 70. The minimum RSP contribution for any payment frequency is $500 in your Policy Currency. The maximum RSP is capped at 25% of the prevailing Premium.

- If you decide to make Top-up Premium(s) or RSP contributions to your Policy, the Sum Insured will be increased by an amount equal to 100% of the top-up or RSP amount. For example, if your Top-up Premium is $10,000, your Sum Insured will be increased by $10,000.

Example 9: Illustration on an ad-hoc Top-up Premium:

A Policyowner buys a 10-year Premium Term plan and contributes $6,000 annually. He decides to make an ad-hoc Top-up Premium of $1,000 at the start of Policy Year 2 (Policy Month 13).

Sum Insured before Top-up Premium = $12,120 (101% of total Premium of $12,000)

Sum Insured after Top-up Premium = 101% of total Premiums paid + 100% of the top-up Premiums = $12,120 + $1,000 = $13,120

Assuming a Unit Price = $1.00

Units purchased with Top-up Premium = $1,000 / $1.00 = 1,000 Units

Units in Policy before Top-up Premium = 12,000 Units

Units in Policy after Top-up Premium = 12,000 Units + 1,000 Units = 13,000 Units

Premium charge applicable on Top-up Premium = 3% x $1,000 = $30

Units deducted for premium charge applicable on Top-up Premium = $30 / $1.00 = 30 Units

Units in Policy after premium charge = 13,000 – 30 = 12,970 Units

7 Withdrawal of Units

- You may make a partial, regular or full withdrawal of Units. A full withdrawal of Units is considered a surrender of your Policy and your Policy will terminate.

- You may make a Partial Withdrawal as long as there is at least $1,000 in your Policy after the withdrawal. Each withdrawal should be at least $250. If you have more than one ILP Sub-Fund under your Policy, you may choose which of the ILP Sub-Funds you would like to withdraw your money from. There should be at least $500 left in each ILP Sub-Fund.

- You may make Regular Withdrawals after the relevant Surrender Penalty Period, as long as there is at least $1,000 in your Policy after each Regular Withdrawal. Each Regular Withdrawal should be at least $250. If you have more than one ILP Sub-Fund under your Policy, the Units in the respective ILP Sub-Fund(s) will be realised according to the proportion that the Net Asset Value of each ILP Sub-Fund bears to the total Net Asset Value to meet your specified Regular Withdrawal amount. There should be at least $500 left in each ILP Sub-Fund. You will be notified of the commencement date of your Regular Withdrawal if we accept your application.

The Regular Withdrawal will cease:

(i) when the remaining Units in the Policy and each ILP Sub-Fund level do not meet the specified minimum limits;
(ii) upon written request from you; or
(iii) upon termination of the Policy.

- As Units are priced on a forward pricing basis, the redemption price of Units will not be ascertainable at the time of the submission of the redemption request.

- To surrender, you must complete and submit our surrender form. If your application reaches our correspondence address before 3.30 pm on a business day, it will be processed on the same business day. If your application is received after 3.30 pm, it will be processed on the next business day.

- The Units in the respective ILP Sub-Fund(s) withdrawn will be realised at the Unit Price on the next applicable Valuation Date immediately following the date we accept your application for Partial Withdrawal or Full Surrender, with all requisite documents and information received. Once we pay the amount due to you on surrender of the Policy, we shall be discharged from all liability under the Policy including in respect of the payment of Benefits.

- The Partial Withdrawal and Full Surrender proceeds will usually be paid out to you not later than 7 Dealing Days from the day we process your application for partial or full withdrawal from the respective ILP Sub-Fund(s).

- The Regular Withdrawal proceeds will usually be paid out to you not later than 7 Dealing Days from the Regular Withdrawal commencement date as stated in the communication to you when your Regular Withdrawal request is accepted by us. We will process the Regular Withdrawal proceeds according to your chosen payout frequency at a yearly, half-yearly, quarterly or monthly basis.

- There will be a surrender penalty charge for any Partial Withdrawal or Full Surrender made on or before the end of 8, 10 or 15 Premium Years according to your chosen Premium Term as detailed in Section 5.5.

<u>**Example 10**: Illustration on a Partial Withdrawal with surrender penalty charge by dollar amount:</u>
(Continued from Example 5)

The Policyowner decides to do a Top-up Premium of $1,000 at Premium Year 3 and subsequently partially withdraws $500 on Premium Year 5.

Sum Insured before withdrawal = $31,300 (101% of total Premium of $30,000, + top up of $1,000)

Sum Insured after withdrawal = $31,300 - $500 = $30,800

Assuming a Unit Price = $1.00

Units cancelled = $500 / $1.00 = 500 Units

Assuming Units in Policy before withdrawal = 31,000 Units

Units in Policy after withdrawal = 31,000 Units – 500 Units = 30,500 Units

Amount Policyowner wishes to withdraw = $500

Surrender penalty charge applicable on partial withdrawal at Premium Year 5 = 50%

Surrender penalty amount applicable on partial withdrawal at Premium Year 5 = 50% x $500 = $250

Withdrawn amount payable to Policyowner = $500 – $250 = $250

Example 11: Illustration on a Partial Withdrawal with surrender penalty charge by number of units

A Policyowner decides to partially withdraw 1,000 units in Premium Year 5,

Assuming a Unit Price = $1.00

Gross withdrawn amount = Number of units to be redeemed x Unit Price = 1,000 x $1.00 = $1,000

Withdrawn amount payable to Policyowner
= Gross withdrawn amount – Fees and Charges (if any)
= $1,000 – 50% x $1,000
= $1,000 – $500
= $500

Example 12: Illustration on a Full Surrender

A Policyowner buys a 10-year Premium Term plan and contributes $6,000 annually. He takes a Premium Holiday in Policy Year 6 and decides to make a Full Surrender in Policy Year 7.

Assume the Net Asset Value just before surrender is $32,000

Premium Year = 6 (due to Premium Holiday activation in Policy Year 6)

Surrender penalty charge at Premium Year 6 = 40%

Surrender penalty amount = surrender penalty charge x Net Asset Value
= 40% x $32,000 = $12,800

Surrender value payable to Policyowner (Cash Value)
= $32,000 – $12,800 = $19,200

8 Switching of ILP Sub-Funds

- You may switch between ILP Sub-Funds at any time. There is no limit to the number of switches currently. We reserve the right to limit the number of switches and we will give you at least 30 days' advance notice in writing before we impose such a limit.

- Application to switch ILP Sub-Fund(s) must be made on our prescribed form. Your application will be processed on the same business day if we receive the form before 3.30pm. Upon approval of your application, we will buy into the Units of the new ILP Sub-Fund(s) on the next business day at the Unit Price. Applications that reach us after 3.30pm will be processed the following business day. You may fully or partially switch from one or more ILP Sub-Funds to other ILP Sub-Funds. The value of Units to be switched for each ILP Sub-Fund must be at least $1,000 and the remaining value of Units in each ILP Sub-Fund must be at least $500.

9 Automatic Fund Rebalancing

- You may apply to automatically re-balance your existing ILP Sub-Fund(s) holdings according to your pre-specified Premium allocation percentage on each Policy Anniversary.

- Automatic Fund Rebalancing will only occur on each Policy Anniversary when the portfolio's variance from the pre-specified Premium allocation percentage exceeds 5%. If this occurs, rebalancing will be done according to the total fund value at the point of reassessment for each ILP Sub-Fund(s) ensuring the same pre-specified Premium allocation percentage remains. You may inform us of your pre-specified Premium allocation percentage at the time of Application or via a subsequent Premium redirection request.

- Any existing Automatic Fund Rebalancing option will be terminated if you request to do any of the following: Fund Switching, Premium redirection, Partial Withdrawal, Regular Withdrawal, Top-up Premium(s) or Recurrent Single Premium(s). You need to submit a new application in order to continue the Automatic Fund Rebalancing feature.

10 Distribution of Dividend

- If you choose to invest in any ILP Sub-Fund(s) that pays dividends, you have the option to either reinvest these dividends or to receive payments of these dividends. The frequency of dividend distribution of the ILP Sub-Fund(s) is determined by the relevant fund manager. You are only entitled to dividend(s) if you are invested in the relevant ILP Sub-Fund(s) at the end of the dividend declaration date (also known as the “record date”).

- If you choose to reinvest dividends and the ILP Sub-Fund(s) declares any dividend(s) thereafter, we will reinvest these dividends on your behalf and your Units in this ILP Sub-Fund(s) will increase. We will receive these dividends from the relevant fund manager(s) within 21 Dealing Days from their respective record dates and will reinvest these dividends to purchase additional Units in the relevant ILP Sub-Fund(s) at the Unit Price, not later than 10 Dealing Days after receiving them.

- If you choose to receive payment of dividends and the ILP Sub-Fund(s) declares any dividend(s), we will distribute these dividends to you not later than 10 Dealing Days after receiving them from the relevant fund manager(s). We will only pay dividends of ILP Sub-Fund(s) to you if the amount of dividend you are entitled to is at least $50. If the amount of dividends that you are entitled to for any ILP Sub-Fund(s) is less than $50, we will reinvest that particular dividend(s) as additional Units on your behalf.

- You will not be entitled to any payment of dividends during the period when the Net Asset Value is not enough to pay the Fees and Charges.

- Surrender penalty will not apply to the payment of dividends for ILP Sub-Fund(s). Surrender penalty will apply if you choose to withdraw the reinvested dividend(s) during the Surrender Penalty Period.

11 Investment returns

- Your investment returns will depend on the investment performance of the ILP Sub-Fund(s) you have chosen and the charges on your Policy.

- Investment returns are not guaranteed and can be lower or higher than the total Premiums paid.

12 Keeping track of your investment

(i) You will receive an annual Unit and Benefit Statement as at 31st December at the beginning of each calendar year.

(ii) An unaudited semi-annual and annual audited report on each ILP Sub-Fund will be made available within 2 months and 3 months respectively from the last date of the period to which the reports relate. The financial half year-end and financial year-end for each ILP Sub-Fund is 31 December and 30 June respectively.

These reports are accessible from our website, https://grp.hsbc/FundPrices.

A hardcopy will be provided to you only upon request.

13 Obtaining Prices

- The ILP Sub-Fund Unit Price should be available 2 business days after the relevant Valuation Date. You can obtain the Unit Price of the relevant ILP Sub-Fund from the respective fund manager(s) websites or upon your request to us. You may refer to the individual ILP Sub-Fund Product Highlights Sheets for more details.

14 Valuation of Units

The Unit Price of the Units in the respective Fund(s) will be determined on each Valuation Date and it can be obtained from the respective fund manager(s) or upon your request to us.

In the event there are changes to the valuation frequency of Units in the ILP Sub-Fund(s) as stated in your fund documents, or the adoption of swing pricing by the respective fund manager(s), we will notify you in writing at least 30 days' before such change.

The Unit Price of the Units in the respective Fund(s) shall not be less than the market value of the assets of each Fund, reduced by all realisation costs, the liabilities of each Fund and its Fund Expenses as determined by the respective fund manager(s), with the resulting value being divided by the total number of Units in each Fund on the relevant Valuation Date.

The respective fund manager(s) may suspend the valuation of the Units in one or more Funds or the purchase or realisation of the Units in any Fund(s) under certain circumstances, which include:

(i) the closure of or suspension of dealings on a principal stock exchange; or

(ii) a period when the assets in any Fund(s) cannot be valued or invested in accordance with its investment objective or sold; or

(iii) the existence of a state of affairs which in the opinion of the respective fund manager(s) constitutes an emergency; or

(iv) a period where there is a breakdown in communication or computation systems.

As part of the valuation of Units in the respective Fund(s), there could be gains or losses in the Unit Prices of the Units in the respective Fund(s) between the time of receipt of your instruction until the time of purchase or redemption of the Units thereto caused by (i) delays not attributable to the us or (ii) the failure or refusal of the respective Fund(s) or its manager to process the redemption of Units. These gains or losses will be borne by the respective Fund(s) and reflected in the Unit Price of the Units in the respective Fund(s).

15 Composition of Funds

We are the legal and beneficial owner of the assets comprised in the Funds with the right to:

(i) invest in the Funds in any manner we consider appropriate; and
(ii) add additional Fund(s) or withdraw the Fund(s), or change the type of assets comprised in the Fund(s).

The fund manager of the ILP Sub-Fund(s) may charge a fund management fee and other charges. The fund management fee is deducted from each Fund on each Valuation Date.

The fund manager reserves the right from time to time to adjust the fund management fee and other charges.

We will notify you of any proposed change giving you at least 30 days' advance notice in writing. Please refer to the product highlights sheet or fund summary for details on the fund management fee and other charges.

16 Exclusions

There are certain conditions under which no benefits will be payable. These conditions are stated in the Policy General Provisions.

(i) If the Life Insured commits suicide within one year from the Issue Date, Commencement Date or the last Reinstatement Date (if any), whichever is the latest, the Policy becomes void from the Issue Date, Commencement Date or the last Reinstatement Date (as the case may be) and we will cancel it. We will refund the Premium(s) you paid, without interest after:

a) deducting any amount owing to us and any medical and underwriting expenses incurred in accepting your Application;
b) deducting a sum equivalent to any Partial Withdrawal(s) and/or Regular Withdrawal(s) made;
c) making any adjustment by deducting a sum as determined by us to reflect the market fluctuation in respect of the Units; and
d) deducting any dividend distributed under the Fund(s).

(ii) If the Life Insured dies or is diagnosed with Terminal Illness within the Waiting Period, the Policy becomes void from the Issue Date, Commencement Date or the last Reinstatement Date (if any), whichever is the latest, and we will cancel it. We will refund the Premium(s) you paid, without interest, after:

a) deducting any amount owing to us and any medical and underwriting expenses incurred in accepting your Application;
b) deducting a sum equivalent to any Partial Withdrawal(s) and/or Regular Withdrawal(s) made;
c) making any adjustment by deducting a sum as determined by us to reflect the market fluctuation in respect of the Units; and
d) deducting any dividend distributed under the Fund(s).

This exclusion does not apply in the event of an Accidental Death.

Waiting Period refers to one year from the Issue Date, Commencement Date or the last Reinstatement Date (if any), whichever is the latest.

(iii) We will not pay the Terminal Illness Benefit if the diagnosis of Terminal Illness is in the presence of Human Immunodeficiency Virus (HIV).

(iv) We will not pay the Accidental Death Benefit if the Accidental Death arises directly or indirectly from:

a) deliberate acts such as self-inflicted injuries, suicide or attempted suicide;
b) unlawful acts, provoked assault or deliberate exposure to danger;
c) the effects of alcohol, drugs or any dependence;
d) illnesses, psychological conditions or eating disorders;
e) heat stroke;
f) a bad reaction to drugs or medication;
g) the effects of viruses (e.g. dengue), bacteria or diseases;
h) the negative effects or complications of medical and surgical care;
i) treatments aimed at improving appearance, such as cosmetic surgery or any treatment relating to a previous cosmetic treatment;
j) radiation or contamination from radioactivity;
k) being in any aircraft, except as a fare-paying passenger in a commercial aircraft, or during military operations in peacetime;
l) military, air force or naval operations, except when carried out in peacetime;
m) warlike operations (whether war is declared or not), war, invasion, riot or any similar event;
n) an Accident which happens outside of Singapore; if the Life Insured has been outside Singapore for more than 180 days in a row at the time of the Accident;
o) an act of terrorism; or
p) the Life Insured's job or leisure pursuit in working at heights, working underground, using explosives or chemicals, motor racing, flying other than as a fare paying passenger on a commercial airline, diving below 30m or mountain climbing (4,000m and above).

You are advised to read the Policy General Provisions for the full list of terms and conditions.

17 Assignment

- Subject to our approval, you may transfer your legal right under the Policy to another party through an assignment. You must notify us of the Assignment by completing our Assignment form and returning the signed original form to us.

- You may assign your ownership rights under your Policy as the Policyowner (borrower) to an assignee (lender), in exchange for granting of credit facilities. The borrower retains possession of the Policy, with the understanding that the use or disposition of the Policy must be managed with the consent and approval of the lender.

18 Termination

The Policy will terminate upon the occurrence of the earliest of the following:

(i) the full payment of Death Benefit or Accidental Death Benefit;
(ii) the full advancement of the Death Benefit as a result of a Terminal Illness Benefit claim;
(iii) the Full Surrender of the Policy;
(iv) the full payment of Maturity Benefit on the Expiry Date;
(v) when the Benefits are paid in full, unless otherwise stated. This includes any payment triggered by supplementary benefits (if any);
(vi) when a claim under any supplementary benefit attached to the Policy, which accelerates the Death Benefit in full, is admitted;
(vii) the Policy being rendered void;
(viii) non-payment of Premium by the expiry of the Grace Period during the first 2 Policy Years;
(ix) once the Net Asset Value falls to zero;
(x) any other events which results in termination set out in the Policy General Provisions; and
(xi) the cancellation of the Policy during the Free-Look Period or at any other time.

19 Contractual rights of customer

- You have a 14-day free-look period ("**Free-Look Period**") starting from the date you receive the Policy. If the Policy is delivered by post, it is considered received 7 days after the date of posting.

- If you decide to cancel the Policy within the Free-Look Period, you must notify us in writing and return the Policy within the Free-Look Period. We will refund the Initial Premium you paid without interest after:

  (i) deducting any medical and underwriting expenses, such as payments for medical check-ups and medical reports, incurred by us (if any) in accepting your Application;
  (ii) making any adjustment by deducting a sum as determined by us to reflect the market fluctuation in respect of the Units; and
  (iii) deducting any dividend distributed under the ILP Sub-Fund(s).

- You cannot elect to pay a Top-Up Premium, apply for Fund Switching, or Partial Withdrawal or surrender the Policy during the Free-Look Period.

20 Other important notes

- Premiums payable and benefits paid out will be made in your Policy Currency and you may be subject to foreign exchange risk.

- Where we make any payout to you, the amount you receive may be subject to fees and charges levied by your bank and such fees and charges will be borne by you.

- Any payment requests made to banks outside of Singapore will be subject to HSBC country restrictions.

- Any Fund may be wound up by its fund manager(s) and we will give you at least 30 days' advance notice in writing prior to the effective date of such Fund being wound up.

- In order to provide the Benefits, we may review and supplement or amend certain clauses of your Policy. These include amendments to:
  (i) the valuation of Units;
  (ii) Policy related fees and charges;
  (iii) the Fund(s) and its charges;
  (iv) Fund switches and its charges; and
  (v) Premiums, if applicable.

  We may make changes to the Policy if it is reasonably necessary to:
  (i) give effect to:
    a) applicable laws, rules, regulations; or
    b) a change, recommendation, order, requirement, notice, direction, code, circular or guidance issued by any regulatory, supervisory, governmental, statutory authority, industry association, self-regulatory, or resolution body having jurisdiction over us or a court of competent jurisdiction; or

  (ii) reflect changes to or alignment with:
    a) the operational costs, business operations or practices, systems and processes;
    b) the industry or prevailing market conditions or practices;
    c) the Fund(s);
    d) our agreement or arrangement with third-party service providers (including but not limited to fund managers); or
    e) overall claims and lapse experience of this plan.

  To the extent reasonably practicable, we will provide you at least 30 days' advance notice in writing before such change takes effect, unless otherwise stated.

  If you do not agree with a change, you may, to the extent applicable:
  (i) withdraw the Units;
  (ii) switch Fund(s);
  (iii) terminate the Policy; or
  (iv) change the coverage of your Policy.

- This Policy provides insurance benefits as highlighted in the Insurance Benefits section. If you intend to give up your existing life insurance policy or an investment product when you get this Policy, please note that you may not be covered for the insurance benefits under your existing life insurance policy or an investment product, due to certain conditions under which no benefits will be payable under this Policy, such as Pre-existing Conditions.

- This Policy is protected under the Policy Owners' Protection Scheme which is administered by the Singapore Deposit Insurance Corporation (SDIC). Coverage for your Policy is automatic and no further action is required from you. For more information on the types of benefits that are covered under the scheme as well as the limits of coverage, where applicable, please contact HSBC Life or visit the LIA or SDIC websites (www.lia.org.sg or www.sdic.org.sg).