

GENERAL INSURANCE CONDITIONS FOR THE MULTI ASSET STRATEGY POLICY

The **policyholder** is the person who concludes the insurance contract
who is obliged to pay the premium.

The **insured person** is the person whose life is insured.

The **beneficiary** is the person who has been appointed to become entitled to insurance benefits.

The **insurance company** is

§ 1 What must be observed when the contract is concluded?

- (1) As policyholder you choose a written application for the conclusion of Multi Asset Strategy Policy. You are for a period of six weeks bound by the application. The period begins on the application filing date.
- (2) The insurance application, the insurance policy, the agreed rate, the consumer information and these general insurance conditions form the basis of the contract. Unless otherwise agreed, the legal provisions shall apply.
- (3) If the insurance policy is issued in another currency than Swiss Francs (CHF), the daily exchange rates of the Swiss National Bank shall apply to any amounts mentioned in these Conditions in Swiss Francs.

§ 2 What is the effective date of your insurance and of the death benefit? What is the end date of your insurance?

- (1) The insurance becomes effective once we have confirmed receipt of your application in writing or by sending you the policy and once the first premium has been paid to our account. If the insured person dies during the deferral period, will reimburse the available premium reserve amount, as the case may be reduced by any unpaid acquisition costs and administrative fees and any outstanding commission claims (for more details see § 23 of these GIC).
- (2) The insurance (and thus insurance coverage) ends upon payment of the insurance benefit upon the death of the insured person during the deferral period or after acceptance of a lump-sum settlement.
- (3) In the event of death during the liquidation period, the policy expires as of the end of the current month. In the event of death during an agreed guaranteed annuity period, the policy ends upon expiration of such guaranteed period.
- (4) If a limited annuity period has been agreed on, the policy expires at the latest at the end of the agreed annuity period.

§ 3 Until when are you entitled to rescind your insurance policy or to object to it?

- (1) After conclusion of the insurance, you have for a period of 30 days the right to rescind the contract. Notice of rescission of the contract shall be given in writing. The timely dispatch of the notice of rescission is sufficient to ensure that the period is observed. The period starts once you have confirmed with your signature that you have been informed of your right of rescission. If we fail to inform you accordingly, your right of rescission expires one month after payment of the first premium. The premium paid up until then will be fully paid back to you in the event of your rescission.
- (2) If we have not provided you with the General Insurance Conditions or the Consumer Information before conclusion of the contract, the policy shall be deemed concluded on the basis of the insurance policy, the General Insurance Conditions and the Consumer Information if you do not object in writing within 30 days after receipt of the entire documentation. This period only starts once you have received all the relevant documents and we have upon delivery of the insurance policy informed you in writing and in clear printed form of your right to object, of the beginning of the period and of its length. However, sentence 2 notwithstanding, the right to revoke expires one year after payment of the first premium.
- (3) If your initial premium has already been accounted for by you will bear the resulting costs, if any.

§ 4 How is the premium calculated?

The premium depends on the rate and the age of the insured person(s). The original age is the difference between the calendar year of the effective date of the policy and the calendar year of birth of the insured person. In the event of increased risk, additional premiums or special conditions may be agreed.

§ 5 How do we use your premium?

- (1) You remit or transfer the premium in the agreed manner. The premium is used to pay for the costs incurred in concluding the contract and the costs arising out of the administration of your life insurance throughout the policy period.
- (2) To the extent the premium is not meant to cover the costs, we will at the earliest after expiration of the revocation period of 30 days acquire rateable and depositable assets and add them to your premium reserve. The premium reserve represents your covering funds (the covering funds are the value of the insurance account minus any outstanding costs and commission claims). Your premium reserve is segregated and invested separately from the remaining assets of

- (3) You determine based on the investment strategy, which is prepared before the effective date of the insurance, how - depending on your willingness to take risks - your premiums will be invested.
- (4) In unit-linked life insurances, the premium reserve of your life insurance is normally linked to the performance of investment funds. Liechtenstein Fund Life as a Multi Asset Annuity Policy offers free choice with regard to the contribution of any despositable and rateable - but not assessable - assets to the premium reserve
- (5) Because the development of your premium reserve amount is not foreseeable, we cannot guarantee the benefit amount. You have the chance to achieve appreciation if the value of your premium reserve increases. However, if it decreases, you bear the risk of depreciation and possible exchange rate fluctuation.
- (6) You may at any time throughout the policy period change your investment strategy, but during that time you do not have any direct influence on the choice and the administration of your premium reserve. Any changes shall be notified in writing and will be executed by
- (7) Due to unfavourable performance of the assets, the value of the savings part may become insufficient to coverage deductions for administrative and risk charges. Under these circumstances, you are obligated to make additional premium payments. Should you refuse such payments, to cancel the insurance contract.
- (8) The investment strategy chosen by the policyholder shall apply, subject to subsequent changes, until the maturity date of the policy.

A fee applies if more than one change or other interferences are effected per policy year.

§ 6 What is important about premiums?

- (1) The premiums are annual amounts that shall be remitted or transferred to our account without causing us any costs and expenses.
- (2) The single premium or the first premium is due upon receipt of the premium invoice or the insurance policy.
- (3) Any subsequent premiums shall be paid within two weeks from the due date.

§ 7 What happens if you fail to pay a premium in time?

- (1) If you fail to pay the single premium or the first premium in time, we are entitled to rescind the contract.
- (2) If a subsequent premium is outstanding, we will send you a written reminder. Should you fail to pay the arrears including interest and expenses within the grace period of two weeks fixed in the reminder, our obligation to pay benefits is suspended upon expiration of the grace period.
- (3) If the grace period of two weeks fixed in the reminder expires, the insurance shall be converted into a premium-free insurance.
- (4) If you pay the arrears including interest and expenses within two months after expiration of the grace period of two weeks, obligation to pay benefits shall again become effective.
- (5) After expiration of the period of two months set forth in § 7 (4) GIC, shall be entitled to terminate the policy at any time.

§ 8 When can you (partially) terminate the insurance policy or demand exemption from paying premiums?

- (1) You may basically terminate your policy only before expiration of the deferral period, in writing, partially or fully, with three months' notice as of the end of a month, at the earliest, however, as of the end of the first year of the policy. Termination during the liquidation period may be possible to the extent technically feasible.
- (2) Instead of terminating the contract, you may as of the respective dates (see point 1) convert the policy into a premium-free insurance with reduced insurance benefits.
- (3) If you terminate your policy partially, the remaining premium reserve after the partial termination shall amount to at least 20% of the agreed premium sum. Any disbursement or partial termination results in a recalculation of the premium sum. Any disbursement or partial termination shall be deducted from the premium sum. If after a partial termination or exemption from paying premiums the premium reserve amount is less than 20% of the agreed premium sum, you will have to fully terminate your life insurance.
- (4) The minimum amount of a partial termination shall be determined by taking into consideration point 3.

- (5) After termination of the policy you will receive the cash surrender value - to the extent available. The cash surrender value corresponds to the premium reserve amount calculated based on the cash value or market value of the investment at the time of settlement, as the case may be reduced by any unpaid acquisition costs and administrative fees and outstanding commission claims. For more details see § 23 of these GIC. You shall bear all costs incurred in connection with the termination.
- (6) The cash surrender value will be paid in form of a money transfer to an account to be designated or in form of a transfer of securities to a deposit account to be designated. If a money transfer is chosen, delays of up to six weeks are possible despite the maturity date. _____ will during this period try to realize the assets of the premium reserve. Should _____ only partly or not at all be able to do so, the cash amount available at that time will be transferred and the beneficiary agrees in addition to accept the unrealized assets instead of a payment.
- (7) In the event that _____ is not able to either realize the assets of the premium reserve or to transfer them to a deposit account to be designated, the policy shall continue in force and our obligation to pay benefits shall only be due once one of the actions mentioned above becomes possible. During this period, _____ may keep charging the agreed administrative fee; thus, a certain amount of cash shall be left in the premium reserve for that purpose.
- (8) Benefits upon termination will in any event only be paid upon presentation of the original insurance policy and upon receipt of a written notice stating the bank details. Moreover, in view of our duty to take due care you will have to inform us of your reason for termination.
- (9) In the event of termination or partial termination, the policyholder should consider potential disadvantageous tax consequences.

§ 9 When can an increase be effected?

- (1) By separate application as of the first day of a month you are entitled to increase the premium sum by way of an additional premium payment.
- (2) The minimum amount of the increase shall be determined by _____
- (3) For each premium increase you shall receive a written confirmation (supplement) to the original insurance policy and insurance certificate.
- (4) In the event of an increase, the policyholder should consider potential disadvantageous tax consequences.

§ 10 Appointment of Beneficiary, Pledge and Assignment

- (1) The insurance benefit will be paid either to you or to your heirs if you have not named a beneficiary who will acquire the claims arising out of the insured event. The beneficiary may at any time before the insured event be changed. However, you also have the option to appoint a person as immediate and irrevocable beneficiary of the policy. Upon receipt and written confirmation by _____ such beneficiary may only be changed with the beneficiary's consent.
- (2) In general, you are the person authorized to dispose. However, you may at any time pledge or assign the policy.
A pledge or assignment is only effective vis-à-vis _____ if you inform us accordingly in writing and we confirm the pledge or assignment in writing.

§ 11 When will we pay what benefits?

- (1) General Agreement
 - (a) During the deferral period the value of your Multi Asset Strategy Policy corresponds to the development of your premium reserve. The annuity depends on the development of the premium reserve and may, thus, only be determined at the end of the deferral period based on the premium reserve amount at the then applicable annuity rates.
 - (b) The insurance benefit will be paid in the currency in which the policy has been issued. To the extent foreign currencies have to be considered in connection with this contract, the daily exchange rates of the Swiss National Bank shall apply.
- (2) Benefits upon Survival
 - (a) If the insured person survives the end of the deferral period, we will pay an annuity in the agreed currency. The annuity will be paid throughout the lifetime of the insured person, however, as the case may be at the longest until the agreed final age and at least until the end of the guaranteed annuity period if such a period has been agreed. After the guaranteed annuity period, the annuity will upon the death of the insured person cease to be paid. There will be no further benefits.
The amount of the annuity depends on the value of the premium reserve on the record date (end of deferral period).
The annuity will upon agreement be paid annually, semi-annually, quarterly or monthly in arrears.
 - (b) You have, however, up until three month before the end of the deferral period the option to have your annuity paid out as a one-time lump sum settlement if the insured person survives this date. It is not possible to exercise the lump sum option before the expiration of 5 years after conclusion of the contract (cf. special case of termination, § 8 GIC).

(c) The lump sum settlement corresponds to the premium reserve amount, calculated based on the cash surrender value or market value of the investment at the end of the deferral period (= day of first annuity payment), as the case may be reduced by any unpaid acquisition costs and administrative fees and outstanding commission claims. For more details see § 23 of these GIC.

(d) You have the right to choose between a transfer of money or - in case of a lump sum settlement - a transfer of securities.

You shall inform us no later than three months before the end of the agreed deferral period or no later than one month after learning of the insured event to what extent you wish to exercise your right to choose. If you choose a transfer of securities, such transfer shall be made to a securities account in the name of the beneficiary. All costs and expenses for the transfer of the securities shall be deducted from the insurance benefit.

(3) Benefits upon Death

(a) If the insured person dies during the deferral period, _____ will reimburse the available premium reserve amount, as the case may be reduced by any unpaid acquisition costs and administrative fees and any outstanding commission claims (for more details see § 23 of these GIC). The paid premium sum refers to the total of all premiums paid until the date of the insured event. Any disbursement or partial termination results in a recalculation of the premium sum. Any disbursement or partial termination shall be deducted from the premium sum.

(b) The beneficiary has the right to choose between a transfer of money or a transfer of securities. The notice stating how the beneficiary wants to exercise his right to choose shall be delivered to us together with the notice and proof of death of the insured person. If there is no notice concerning the right to choose, _____ will within 10 bank working days arrange for the liquidation of the premium reserve. In the event of difficulties in connection with the liquidation, we refer to point 4 for further procedure.

If a transfer of securities is chosen, such transfer will be made to a securities account in the name of the beneficiary. All costs and expenses for the transfer of the securities shall be deducted from the insurance benefit.

(c) If the policy is concluded, the benefits upon death will only become due upon the death of the last deceasing insured person.

(4) Special Agreement

(a) If, upon survival or upon death, a transfer of money is chosen, there may be delays of up to six weeks despite the maturity date. _____ will during this period try to realize the assets of the premium reserve. Should _____ only partly or not at all be able to do so, the cash amount available at that time shall be transferred and the beneficiary agrees in addition to accept the unrealized assets instead of a payment.

(b) In the event that _____ is not able to either realize the assets of the premium reserve or to transfer them to a deposit account to be designated, the policy shall continue in force and our obligation to pay benefits shall only be due once one of the actions mentioned above becomes possible. During this period, _____ may keep charging the agreed administrative fee; thus, a certain amount of cash shall be left in the premium reserve for that purpose.

§ 12 What applies in case of a policy loan?

(1) Upon request we can grant you a policy loan. We will charge you an annual administrative fee for the policy loan as expenses throughout the entire term. There is no legal entitlement to a policy loan.

(2) If you take a policy loan, the possible loan amount will be determined individually.

(3) We do not call in policy loans early. You, however, can at any time fully or partly repay the policy loan.

(4) For full repayment, you have to pay an amount corresponding to the value of the policy loan.

(5) The benefit we have to pay upon death, survival or termination of your policy shall be reduced by the amount you owe on the maturity date.

§ 13 What is the importance of your answers to our questions in the insurance applications?

(1) We provide insurance coverage trusting that you have truthfully and completely answered all questions relating to the insurance application (precontractual disclosure obligation).

(2) If the life of another person is to be insured, such other person is together with you responsible that all questions are answered completely and truthfully.

(3) If questions are in a negligent manner answered incorrectly or incompletely, we can within the first five years after conclusion, last amendment or restoration of the policy rescind the contract.

We shall declare rescission within one month after learning about the incorrectness or incompleteness of the answers.

(4) The knowledge of an agent is not tantamount to our knowledge.

(5) We may not rescind the contract if- we knew about the incorrectness or incompleteness of the answers, or- the concealed fact did not have any influence on the occurrence of the insured event.

- (6) In the event of wilful deceit, we may challenge the validity of the policy. If details about the insured person are concerned, we may declare rescission vis-à-vis you even if you did not know about the breach of the precontractual disclosure obligation.
- (7) If we challenge or rescind the contract, we shall pay the cash surrender value (cf. § 8 of the GIC). The provisions concerning termination shall apply analogously. We are in this case entitled to request payment of the additional expenses caused by the breach of the disclosure obligation.
- (8) If you have not appointed another person as authorized recipient, the beneficiary shall upon your death be deemed to be authorized to receive the declaration of rescission. If there is no beneficiary or if the beneficiary cannot be found, we may consider the policyholder to be authorized to receive such declaration.

§ 14 What applies in case of military service, unrest or war?

- (1) The insurance coverage basically applies worldwide, irrespective of what has caused the occurrence of the insured event. We also provide insurance coverage, in particular, if the insured person died during civil commotions or while performing military or police duties.
- (2) In the event of death of the insured person in a situation directly or indirectly connected with war, is obliged to pay the premium reserve amount as on the date of death.

§ 15 What applies in case of suicide?

In the event of suicide of the insured person, insurance coverage exists and will reimburse the available premium reserve amount, as the case may be reduced by any unpaid acquisition costs and administrative fees and any outstanding commission claims (for more details see § 23 of these GIC).

§ 16 What needs to be observed upon maturity of insurance benefits?

- (1) Benefits under the insurance policy are in any event only paid upon presentation of the insurance policy and upon receipt of a written notice stating the bank details (cf. upon loss § 22 of the GIC).
- (2) We will pay the annuity payments to an account designated by the beneficiary. To do so, a special declaration for annuity payments is required. Otherwise we can request official proof that the annuitant was alive on the due date of the annuity. Wrongfully obtained annuities must be paid back.
- (3) We have to be immediately informed of the death of an insured person. In the event of death, an official death certificate containing the age and place of birth must be presented.
- (4) In order to determine our obligation to pay benefits, we may request additional required proof and make our own inquiries. Among others, we may before the beginning of the liquidation period request official proof that the insured person is alive. We may also request such proof during the liquidation period. The benefit becomes due 30 days at the latest after all documents are available to us.
- (5) The recipient of the benefit shall bear all costs in connection with providing proof.

§ 17 What is the importance of the insurance policy?

- (1) If the policyholder is the beneficiary, we may without any further inquiries consider him/her to be authorized to dispose of the rights under the policy, in particular of the right to receive benefits. We may, however, request that he/she provide proof of such authorization.
- (2) In cases covered by § 20 para. 3 we only have to recognize the proof of authorization if we have a written notice of the previous beneficiary.

§ 18 Where do the contractual obligations have to be performed?

- (1) Place of performance for benefits is at the domicile of
- (2) Transfers of benefits are made for the account of the beneficiary. In the event of transfers to countries other than the Principality of Liechtenstein, the beneficiary shall bear all risks.
- (3) Any due insurance benefits shall be remitted or transferred upon receipt of all documents required for the disbursement.
- (4) The policyholder shall bear all risks and costs for the transfer of his/her premiums. In order to make sure that the premiums are paid in time it is sufficient if the policyholder has done everything in a timely manner (cf. § 6 GIC) to pay the premium to us.

§ 19 What applies to communications concerning the insurance policy?

- (1) All communications concerning the insurance relationship must be in writing. Any communication addressed to us becomes effective upon receipt. Agents are not authorized to receive communications on our behalf.

- (2) You as the policyholder or as claimant may lodge a complaint at your Liechtenstein domicile or at Office. If you have a foreign domicile, the Liechtenstein courts at the seat of shall have jurisdiction over any disputes.
- (3) You may also, free of charge, address the Private Insurance Ombudsman. However, it shall be stated that he is not a judge or an arbitrator.
- (4) You have to inform us immediately of any changes to your address or your name. Otherwise you might suffer disadvantages because important communications cannot reach you in time. If you do not immediately inform us of your change of address, we will send all our communications to your last known address.
- (5) If you intend to spend a longer period of time outside of the EU (EEA), you should in your own interest appoint a person who is authorized to receive our communications on your behalf (authorized recipient).
- (6) In your application you determine which person shall be authorized to receive which of the documents we send. Accordingly, we will after conclusion of the contract send the respective documents to the appointed person. The respective documents shall upon receipt by the authorized person be deemed delivered. Changes may at any time be communicated to us in writing.
- (7) If you instruct us not to send you any correspondence regarding our business relationship but to keep all relevant documents at our premises, where they shall be available to you, the following shall apply:
All correspondence to be kept at shall be deemed delivered on the date thereon, irrespective of whether it will be sent or delivered at a later date. keeps all correspondence at the personal and written disposal of the customer and his/her authorized persons.
- (8) All our communications are only valid if bearing a legally valid signature in accordance with the commercial register.
- (9) You will at least once a year be informed of the value of your policy for tax purposes. At any time, will be pleased to give you, at your request, information about your policy.
- (10) After the occurrence of an insured event we may also validly declare rejection or rescission vis-à-vis an authorized third party.

§ 20 Who will receive the insurance benefit?

- (1) The benefit under the insurance policy will be paid to the policyholder or to the heirs if the policyholder has not appointed any other person who shall acquire all claims arising out of an insured event under the policy (beneficiary). The beneficiary may at any time before the insured event or the maturity date of the annuity be revoked. After the insured event, the beneficiary can no longer be changed.
- (2) The policyholder may explicitly determine that the beneficiary shall irrevocably and, thus, immediately acquire all claims under the insurance policy. Upon receipt of his/her declaration to that effect, the beneficiary may only be changed with the consent of the beneficiary.
- (3) The granting and the revoking of an irrevocable beneficiary (cf. point 1) are only effective once we have been informed accordingly by the policyholder in writing.

§ 21 Fees, duties, taxes

Fees, duties or taxes payable now or in future on premiums or insurance benefits shall be paid by the policyholder or the beneficiary. You or the beneficiary shall be responsible for any required notifications to the respective tax authorities.

§ 22 What to do if the insurance policy is lost?

If you inform us in writing of the loss of the insurance policy, we will send you a replacement policy. We may request that a policy in the name of the policyholder is declared invalid by a court.

§ 23 What costs and fees will we charge?

- (1) All costs in connection with the conclusion of your policy that you have to bear shall depending on the premium sum be deducted from your premium reserve. Moreover, we shall set off the administrative fee, which depends on the premium reserve amount and which is due annually in advance, and deduct it from the premium reserve. If your premium reserve should not contain sufficient cash, part of it will be realized and used to cover outstanding costs.
- (2) In the first year of the policy, the administrative fee will be calculated in advance on a monthly pro rata basis. Such calculation will be based on the premium agreed for the first policy year. Any costs for an agent procuring your policy shall over a period of up to five years be deducted from your premium reserve, taking the pre financing costs into account. Moreover, any legally applicable duties and fees for additional expenses affected by you will be charged to you. Risk costs are included in the administrative fee. Additional risk costs due to increased financial and health risks may be charged to the premium reserve.

- (3) Any bank fees and fees for the administration of the assets in your premium reserve shall be directly charged to the latter.

In exceptional cases it may happen that the premium reserve is not sufficient to cover potential administrative fees or commission costs. In such cases, you as the policyholder will be charged.

In the event of additional administrative expenses for special reasons caused by the policyholder or by legislation, we may charge the additional expenses separately to your premium reserve to the extent they can be proven. This applies, for example, in the event of changes to the policy, processing of assignments and pledges and reminder procedures for outstanding payments.

§ 24 How long can claims under the insurance policy be asserted?

There is a statute of limitation of five years from the maturity date for any claims under the policy.

If the beneficiary is not identical with the policyholder, the limitation period starts as soon as the beneficiary has learned of his entitlement to receive a benefit from the insurer. However, any claims are statute-barred after ten years at the latest, irrespective of the date on which the beneficiary learned about them.

§ 25 Duty of cooperation of policyholder in order to avoid limitation of action

In order to avoid limitation of the right of action, the respective policyholder has the duty to cooperate insofar as he/she shall always inform _____ of any address changes of the beneficiaries upon survival as well as of the beneficiaries upon death.

If the policyholder fails to fulfil this duty, _____ will upon the occurrence of the insured event start its own research to try and find the beneficiaries. Any extraordinarily high costs incurred thereby may be charged to the premium reserve.

If the beneficiary cannot be found and, thus, no right to choose pursuant to § 11 (3) (b) GIC is exercised, the premium reserve will be liquidated subject to § 11 (3) and (4) GIC and _____ will continue to administer it. In such case, _____ will even after the maturity date keep charging the agreed administrative fee, which may be set off with the previous premium reserve.

§ 26 Action, jurisdiction?

Your policy shall be governed by the Principality of Liechtenstein law.

§ 27 Which provisions of the General Insurance Conditions may be changed?

- (1) We shall be entitled to change, amend or replace individual provisions of the insurance policy with effect for existing policies
- in the event of law amendments or high court decisions directly concerning the insurance policy;
 - in the event of their invalidity;
 - in order to avoid or remedy complaints of supervisory authorities.
- (2) In order to remove any doubt of interpretation, we may change the wording of individual provisions if the change corresponds to the previous wording.

TERMS AND CONDITIONS FOR INVESTMENT ADVICE

Client retains JML to perform the following functions upon the terms and conditions hereinafter set forth.

1. The Client hereby empowers JML to manage for the Client's account and at his risk, the assets on deposit with the custodian(s) designated in this Agreement ("the Custodian"). JML shall act as investment manager of Client's account with complete discretion in the investment and reinvestment of such assets entrusted to JML, and with full power and authority to make such purchases, sales, exchanges, conversions and trades in connection therewith as it deems appropriate. JML shall manage the account in conformance with the Guidelines for Asset Management established by the Client in writing pursuant to Paragraph 9, below. JML shall manage the account exclusively in the interest of the Client, and for his account and at his risk. The responsibility imposed on JML pursuant to this Agreement shall not commence until after the receipt by the Custodian of cash and/or securities in good delivery form and the delivery to JML of all documentation required by this Agreement.
2. JML is authorized to receive, review, and approve invoice and deposit statements, dividend crediting statements, and expense charges for the Client. JML is not authorized to accept money, securities, or other investments or to pledge same for the Client, for itself, or for third parties. JML shall under no circumstances act as custodian for Client's account or take or have possession of any of the assets thereof, but may issue instructions to the Custodian as required in connection with the settlement of transactions effected by JML hereunder. Notwithstanding the forgoing, JML is entitled to withdraw from the Client's account with the Custodian the fees due to it pursuant to Paragraph 5 of this Agreement. The Client can continue to use or dispose of his account without limitation. However, the Client shall provide JML with five days written notice of its intention to use or dispose of his account, so that the investment policy governing the account can be reviewed and any changes made appropriate or necessary by the Client's action can be made. JML is not entitled as representative of the Client to enter into any transaction with itself involving assets contained in the account. Notwithstanding JML's authorization to give instructions to the Custodian with respect to the investment of the assets, JML is not authorized to give investment instructions with respect to the specific assets underlying an insurance contract if and as long as the assets are invested for tax-deferral purposes.
3. It is understood and accepted by the Client that JML performs investment advisory services for various clients. Nothing in this Agreement, nor in the disclosure statement referred to in Paragraph 17 below, shall limit or restrict JML, its principals' or employees' right to engage in any business or render services of any kind, similar hereto or otherwise, to any other client. Client agrees that JML may give advice and take action in the performance of its duties with respect to any of its other clients which may differ from advice given or the timing or nature of action taken with respect to Client's account. JML assumes no responsibility under this Agreement other than to use its best efforts to render in good faith the services called for hereunder. Nothing in this Agreement shall be deemed to confer upon JML any obligation to acquire for Client's account a position in any security which JML, its principals or employees may acquire for its or their own account or the account of any other client.
4. JML assumes the responsibility of the prudent performance of its advisory and management activity. JML shall not be liable for any loss or damage arising out of or based upon any act or omission by it, including its effecting or failing to effect any transaction, if gross negligence or violation of applicable law is not involved. JML is not obligated to take into account the tax consequences to the Client of its advisory and management activity, and it is not liable for any adverse tax consequences. JML shall not be held responsible for any loss incurred by reason of any act or omission of any broker or custodian. The Client shall bear losses arising out of the use of mail, telephone, telefax, and other means of transmission or transportation facilities, including but not limited to loss, delay, misunderstanding, mutilation, or duplication, provided that JML has not acted in a grossly negligent manner. The Client authorizes JML to obtain electronic access to his data stored in the Custodian's data bank, and agrees to authorize the Custodian to reveal the same. The data shall be transferred over customary telecommunications networks. Neither the Custodian nor JML shall be liable in any way for losses incurred by the Client as a result of transfer, technical defect, disruptions, or illegal access to such telecommunications networks. JML has the right to employ third parties to assist it in the performance of its obligations under this Agreement and in connection therewith to provide said third parties with powers of attorney and mandates required for the performance of their duties.
5. The compensation of JML for its services under this Agreement shall be calculated and paid in accordance with the Schedule of Fees included in the Investment Advisory Agreement and incorporated herein by this reference, which may be amended from time to time by JML upon thirty (30) days' written notice to Client. Fees due to JML will be calculated quarterly and charged to the Client's account. They will be collected pro rata at the beginning and the end of this Agreement. For purposes of calculating fees, the date of inception of this Agreement is the date of signing by the Client of the Management Power of Attorney and the date of termination of this Agreement is the date of revocation by JML of the Management Power of Attorney established pursuant to Paragraph 9, below, or the date on which the Client's Management Power of Attorney reaches the Custodian. The Custodian's documents and statements shall be the determining factors for the computation of fees. The Client hereby expressly empowers JML and the Custodian to charge the fees directly to his account. In addition, any brokerage commissions charged by Custodian or other financial institutions as brokerage fees or as lump-sum brokerage fees (account opening fees and the like) shall be paid by the Client.

6. Where JML places orders for the execution of transactions, JML may allocate such transactions to such brokers and dealers for execution on such markets, at such prices and at such commission rates (which may be in excess of prices or commission rates which might have been charged for execution on other markets or by other brokers and dealers) as in the good faith judgment of JML will be in the best interest of all of JML's clients, taking into consideration in the selection of such brokers and dealers not only the available prices and rates of brokerage commissions, but also other relevant factors (such as, without limitation, execution capabilities of JML, and the value of an ongoing relationship of JML with such brokers and dealers) without having to demonstrate that such factors are of a direct benefit to Client. Generally, when products or services are provided by brokers and dealers for use by JML, such products or services shall be solely for the lawful and appropriate assistance to JML's investment decision making process. However, when such products or services serve functions other than the investment decision making process ("mixed use products and services"), then JML shall in good faith make a reasonable allocation of the cost of the mixed use product or service according to its use. The percentage of the mixed use product or service that provides assistance to JML in the investment decision making process shall be paid for in commission monies. The percentage of the mixed use product or service that provides administrative or other non research assistance to JML shall be paid for by JML. Such allocation shall be made in compliance with Section 28(e) under the U.S. Securities Exchange Act of 1934, as amended. JML shall maintain such books and records with sufficient details relating to each participant in such a particular transaction.
7. This Agreement may be terminated by either party at any time. The date of termination shall be the date of notice by JML or the date of JML's receipt of the Client's notice, provided that the Client shall in any event be free to terminate this Agreement without penalty within five business days after the date first mentioned above. The parties are obligated to revoke the Management Power of Attorney simultaneous with the notice of termination of this agreement, and to provide written notice to the Custodian of the termination. This Agreement and the Management Power of Attorney shall not be extinguished with the death or declaration of presumed death or the incompetence of the Client, and shall, notwithstanding Arts. 35 and 405 of the Swiss Code of Obligations, remain in force until terminated by the heirs or the legal representative of the Client in conformance with the terms and conditions of this agreement.
8. Client represents and warrants to JML: (a) Client has full authority and power to engage JML under the terms and conditions of this Agreement; (b) Client is the owner of all cash and securities in the account which is the subject of this Agreement, and there are no restrictions on the transfer, sale, and/or public distribution of such cash or securities; (c) Client is experienced in the engagement of investment advisers to provide advice in the management of Client's account, and Client is aware of the risks associated with such engagements, including the risk that Client's account could decline substantially in value.
9. It will be Client's responsibility to advise JML, in the Guidelines for Investment Management contained in the application, of the investment objectives of his account and of any changes or modification therein, as well as any reasonable investment restrictions applicable thereto, and to give JML prompt written notice if Client deems any investments recommended or made for his account to be in violation of such objectives or restrictions. Unless Client notifies JML in writing of specific restrictions, the investments recommended for, or made on behalf of, Client's account shall not be deemed restricted under any law or by virtue of any contract or instrument, other than this Agreement, purporting to bind client or JML. Client understands that he cannot require JML to purchase a specific security or a particular type of security for his account. In connection with this agreement, by means of a Management Power of Attorney the Client gives JML disposition at the Custodian of money-market funds, securities, currencies, precious metals, and additional investments of funds, including mutual funds and insurance investments (including annuities). JML is entitled, in its discretion and on behalf of and at the risk of the Client, to issue purchase and sale orders; to cause exchanges or conversions to be executed; to execute time-deposit and trust investments; and to engage in any legal transactions that appear pertinent in connection with proper management, without need for prior special instructions from the Client in individual cases. The Client designates at any given time the percentage of the invested amount to be allocated to the investment portfolios indicated by him in the Guidelines for Investment Management. Barring Client's written instructions otherwise, the Client's future additional payments are invested in the portfolios according to the most recent instructions concerning the percentage allocation. Withdrawals as well as the agreed fees will be charged to the individual asset class according to the most recently written instructions with respect to the percentage allocation. The Client shall give his allocation instructions exclusively to JML, not to the Custodian, and the Custodian shall have no responsibility with respect to the selection of investment categories or the allocation of funds thereto. The Client understands and acknowledges that the percentage allocations indicated in the Guidelines for Investment Management apply only to the amount invested (or, as the case may be, additional amounts invested) at the beginning of the investment, and that such allocations may change over time with changes in the value of the underlying assets. JML is responsible for managing the individual asset classes, in particular the selection and continuous adjustments of the investments (including, at its discretion, fund and insurance investments) that in its discretion appear correct and appropriate for each asset class.
10. JML will maintain for a period of ten years records of all of its activities hereunder which it is obligated to retain under the rules of the U.S. Securities and Exchange Commission. The Client expressly declares that he must bear to the full extent any losses that he may incur as a result of his instruction to JML to retain records other than records required by the SEC to be maintained by JML.

11. JML acknowledges that it is registered as an investment advisor under the U.S. Investment Advisers Act of 1940 and is therefore qualified to be appointed an "investment manager" under section 402(C)(3) of the Employee Retirement Income Security Act of 1974 (hereinafter "ERISA"). JML further acknowledges that, in regard to those clients for which it serves as an "investment manager" as defined in section 3(38) of ERISA, it shall be a "fiduciary", as defined in section 3(21)(A) of ERISA. If required, Client agrees to obtain and maintain for the period of this Agreement the bond required of fiduciaries by section 41 of ERISA and to include JML among those covered by such bond. (This paragraph applies only to those clients which are nongovernmental pension and profit sharing trusts.)
12. JML will at all times be deemed an independent contractor and not Client's employee.
13. This Agreement may only be amended by mutual written consent; provided, however, that JML may unilaterally amend the Schedule of Fees stated in the Investment Advisory Agreement and incorporated herein by reference, effective upon thirty (30) days' written notice to Client of such amendment. No assignment (as that term is defined in the U.S. Investment Advisers Act of 1940) of this Agreement by JML shall be effective without the written consent of Client.
14. All notices and other communications contemplated by this Agreement shall be deemed duly given if given in writing and either (i) placed in the mail or telegraphed at the location of the sender and addressed to JML at the address first above written or to Client at the address appearing below, or at such other address or addresses as shall be specified, in each case, in a notice similarly given, or (ii) delivered to the recipient at such address in person or by other means.
15. Client represents and confirms that the engagement of JML is authorized by the governing documents relating to Client's account and that the terms hereof do not violate any obligation by which Client is bound, whether arising by contract, operation of law or otherwise, and, if Client is a corporation, trust, partnership or other entity, that (i) this Agreement has been duly authorized by appropriate action and when executed and delivered will be binding upon Client in accordance with its terms, and (ii) if so requested by JML, Client will deliver to JML such evidence of such authority as JML may reasonably require, whether by way of certified resolution or otherwise.
16. Client, and third parties authorized by the Client, is entitled to give instructions to JML. The Client must inform JML in writing of the issuance and termination of third-party powers. Powers of attorney issued to third parties shall be applicable until revoked and, notwithstanding Arts. 35 and 405 of the Swiss Code of Obligations, beyond the death, declaration of presumed death, or incompetence of the Client. In the event that more than one person is entering into this Agreement with JML (e.g., for management of joint accounts), each person is authorized individually to issue instructions to JML and to terminate the agreement, and the person thereby binds the other persons as if they too had issued the instructions or terminated the agreement. Death, declaration of presumed death, or incompetence of one person shall not limit the entitlement of the other persons to issue instructions. Losses arising out of failure to recognize lack of legitimacy and forgeries in JML's dealings with the Client or the Client's authorized representatives shall be borne by the Client provided JML is not grossly negligent.
17. In the event of a dispute between the parties arising out of this Agreement resulting in litigation or arbitration, the prevailing party shall be entitled to recover its costs, including attorneys' and expert witness fees. This Agreement is subject to Swiss law. The place of performance and place of execution of Clients residing in a country other than Switzerland, and the exclusive jurisdiction for all proceedings independent of the Client's residence or abode, is Zug. JML has the right to sue the Client in the competent court of his residence. Swiss law shall apply in this case as well.
18. This Agreement incorporates by reference the Schedule of Fees and the Guidelines for Investment Management which are in the Investment Advisory Agreement, and any Management Power of Attorney issued by the Client for accounts or policies with specified custodians.