

remedial action in the event of a Board determination of a material irreconcilable conflict and bearing the cost of such remedial action, will be a contractual obligation of all participating insurance companies and participating plans under their agreements governing participation in the Portfolios, and these responsibilities will be carried out with a view only to the interests of VLI owners, VA owners and plan participants, as applicable.

For purposes of this Condition 4, a majority of the disinterested trustees of the Board will determine whether or not any proposed action adequately remedies any material irreconcilable conflict, but in no event will a Portfolio, or Roszel Advisors be required to establish a new funding medium for any VLI contracts or VA contracts. No participating insurance company will be required by this Condition 4 to establish a new funding medium for any VLI contracts or VA contracts if a majority of VLI owners or VA owners materially and adversely affected by the irreconcilable material conflict vote to decline such offer. No participating plan shall be required by this Condition 4 to establish a new funding medium for such plan if: (a) a majority of plan participants materially and adversely affected by the irreconcilable material conflict vote to decline such offer, or (b) pursuant to governing plan documents and applicable law, the participating plan makes such decision without a plan participant vote.

5. Roszel Advisors, all participating insurance companies with respect to a Portfolio and participating plans with respect to a Portfolio will be promptly informed in writing of any determination by the Board of such Portfolio that a material irreconcilable conflict exists and its implications.

6. Participating insurance companies will be required to provide pass-through voting privileges to all owners of registered VLI contracts and registered VA contracts so long as the Commission interprets the Act to require pass-through voting privileges for such VLI owners or VA owners. Accordingly, the participating insurance companies will vote shares of a Portfolio held in their separate accounts in a manner consistent with voting instructions timely received from VLI owners or VA owners. Participating insurance companies shall be responsible for assuring that each of their separate accounts calculates voting privileges in a manner consistent with all other participating insurance companies. The obligation to calculate voting privileges in a manner consistent with all other separate accounts investing in the fund

will be a contractual obligation of all participating insurance companies under the agreements governing participation in the Portfolio. Each participating insurance company will be required to vote shares for which it has not received voting instructions as well as shares attributable to it, in the same proportion as it votes shares for which it has received instructions. Each participating plan will vote as required by applicable law governing plan documents.

7. Roszel Advisors, and any person under common control with Roszel Advisors, will vote shares held by them for their own benefit (*i.e.*, shares representing seed money) in the same proportions as the shares collectively voted by the various participating insurance companies.

8. All reports of potential or existing conflicts received by the Board and all Board action with regard to determining the existence of a conflict, notifying Roszel Advisors, participating insurance companies and participating plans of a conflict and determining whether any proposed action adequately remedies a conflict, will be properly recorded in the minutes of the Board or other appropriate records, and such minutes or other records will be made available to the Commission upon request.

9. Each Portfolio will notify all participating insurance companies and participating plans that disclosure in separate account prospectuses or plan prospectuses or other plan disclosure documents regarding potential risks of mixed and shared funding may be appropriate. Each Portfolio will disclose in its prospectus that: (a) Shares of the Portfolio may be offered to insurance company separate accounts of both annuity and life insurance variable contracts, and to plans; (b) due to differences of tax treatment and other considerations, the interests of various variable contract owners participating in the Portfolios and the interests of plans investing in the Portfolios may conflict; and (c) the Board will monitor such Portfolios for any material conflicts of interest and determine what action, if any, should be taken.

10. Each Portfolio will comply with all provisions of the Act requiring voting by shareholders (which, for these purposes, shall be the persons having a voting interest in the shares of the respective Portfolio), and, in particular, each Portfolio will either provide for annual meetings (except to the extent that the Commission may interpret Section 16 of the Act not to require such meetings) or comply with Section 16(c) of the Act (although the Portfolios are not within the trusts described in

Section 16(c) of the Act), as well as with Section 16(a), and, if applicable, Section 16(b) of the Act. Further, each Portfolio will act in accordance with the Commission's interpretation of the requirements of Section 16(a) with respect to periodic elections of trustees and with whatever rules the Commission may promulgate with respect thereto.

11. If and to the extent Rules 6e-2 and 6e-3(T) are amended (or Rule 6e-3 under the Act is adopted) to provide exemptive relief from any provision of the Act or the rules promulgated thereunder with respect to mixed or shared funding on terms and conditions materially different from any exemptions granted in the order requested by Applicants, then the Portfolios shall and the participating insurance companies, as appropriate, shall be required to take such steps as may be necessary to comply with Rules 6e-2 and 6e-3(T), as amended, or Rule 6e-3, as adopted, to the extent applicable.

12. No less than annually, Roszel Advisors, the participating insurance companies and participating plans shall submit to the Board such reports, materials or data as the Board may reasonably request so that the Board may fully carry out obligations imposed upon them by the conditions contained in the application. Such reports, materials and data shall be submitted more frequently if deemed appropriate by the Board. The obligations of Roszel Advisors, participating insurance companies and participating plans to provide these reports, materials and data to the Board, shall be a contractual obligation of Roszel Advisors, all participating insurance companies and participating plans under their agreements governing participation in the Portfolios.

13. If a plan or plan participant shareholder should become an owner of 10% or more of the issued and outstanding shares of a Portfolio, such plan will execute a participation agreement with such Portfolio, including the conditions set forth herein to the extent applicable. A plan or plan participant shareholder will execute an application containing an acknowledgment of this condition at the time of its initial purchase of shares of the Portfolio.

Conclusion

For the reasons summarized above, applicants assert that the requested exemptions are appropriate in the public interest and consistent with the protection of investors and the purposes