

MANAGEMENT REGULATIONS FOR THE EB NEUTRAL PORTFOLIO FUND

effective on 17/10/2016

AG Employee Benefits, a division of AG Insurance, offers a range of undefined maturity investment funds. The complete set of Management Regulations for each undefined maturity fund consists of the General Management Regulations and the Specific Management Regulations for that fund. In the Specific Management Regulations for each fund, investors will find the specific characteristics applicable to a given investment fund.

The Management Regulations supplement the General Terms and Conditions and/or the Product Terms and Conditions and the Special Terms applicable to AG Employee Benefits insurance contracts linked in part or in full to one or more undefined maturity investment funds.

GENERAL MANAGEMENT REGULATIONS FOR UNDEFINED MATURITY INVESTMENT FUNDS

Determining Fund Value

The net value of a fund will be calculated by totalling the value of all assets held in the fund, calculated based on the following principles and methods:

1. the face value of all of the following items: "cash on hand or on deposit, notes and bills payable on demand, accounts receivable, prepaid expenses, cash dividends and interest declared or accrued but not yet received", unless the face value is unlikely to be recovered, in which case the value will be determined by deducting an appropriate discount to reflect the true value of the asset(s) in question
2. the value of all securities listed or traded on a stock exchange, based on the last available closing price
3. the value of all securities or other assets traded on a regulated, functional, accredited, public market, based on the last available transaction price
4. the value of units held in open-ended collective investment vehicles, based on the most recent net asset value
5. insofar as the assets held in the portfolio on the valuation date are not listed or traded on a stock exchange or other regulated, functional, accredited, public market, or if the price (determined as per 2. and 3. above) of the assets listed or traded on a stock exchange or other regulated, functional, accredited, public market is not representative of the fair market value of these assets, the price will be based on the probable realisable value, estimated prudently and in good faith
6. all assets expressed in currencies other than the fund's currency will be converted into the fund's currency at the last known average exchange rate

The minimum and maximum values of a fund reflect the value of the underlying assets, plus any non-invested cash and accrued but unpaid interest, less expenses, taxes and other costs related to the fund or charged to acquire, manage, preserve, evaluate and/or realise the assets, as well as any other cost incurred for specific fund management needs.

The maximum value of any fund asset can never be more than the purchase price, and the minimum value can never be less than the selling price.

Each fund is managed as a separate account at AG Insurance and divided into units. New fund units may only be created if the corresponding assets are added to the fund. Other than expenses, taxes and other charges or reinvestment, no assets may be removed from the fund without simultaneously cancelling the corresponding number of units.

Calculating Unit Value

The unit value is the net asset value of the fund in question divided by the total number of units at that time, rounded to the nearest euro cent. This value will be calculated on every valuation date. The frequency of valuation will be stipulated in the Specific Management Regulations for each fund.

In certain exceptional circumstances outlined below, determination of the unit value may be suspended temporarily:

- when a stock exchange or market where a significant share of the fund's assets are listed or traded, or a major foreign exchange market for one or more of the fund's foreign-denominated assets, is closed for reasons other than official bank and public holidays, or when trading has been suspended or restricted
- when the situation is so dire that the insurance company is unable to accurately assess the value of the assets and/or liabilities, and cannot dispose of them under normal circumstances or cannot do so without significantly harming the interests of fund investors or their beneficiaries
- when the insurance company is unable to transfer funds or carry out transactions at a normal price or exchange rate, or when restrictions have been imposed on foreign exchange or financial markets
- in the event there have been substantial withdrawals from the fund amounting to more than 80% of the fund value or in excess of EUR 1,250,000 (indexed to reflect fluctuations in the Health index, a sub-index of the Consumer Price Index (base year 1988 = 100))

In such circumstances, all transactions requiring a conversion from euros into units or from units into euros will be suspended. If a transaction requires the simultaneous involvement of two or more funds linked to the contract and the units of one or more of these funds have been suspended while other fund units are still listed, the transaction will be suspended until all units for the funds in question for the given transaction are listed again.

The policyholder will be entitled to a refund for premiums paid while the suspension was in effect, less any amounts used to cover the risk exposure. Suspended transactions will be executed within three business days once the suspension has been lifted. If the suspension continues beyond a certain number of days, a press release will be issued or notice provided via other appropriate channels.

Fund units cannot be bought or sold on secondary markets, i.e. they cannot be transferred to third parties. All fund assets will remain the property of AG Insurance, responsible for managing the assets in the best interest of the policyholder or beneficiaries. If necessary, AG Insurance may consolidate or subdivide fund units, without prejudice to the policyholder.

The General Terms and Conditions and/or Product Terms and Conditions and Special Terms contain the applicable provisions on surrendering and transferring units.

Liquidation or Merger of Investment Funds

AG Insurance may liquidate an investment fund or merge the assets of one or more investment funds at any time, such as in the following circumstances:

- if the net assets of the fund are less than EUR 5,000,000
- if changes in the economic environment or political situation so warrant
- if the fund in question no longer offers a reasonable return on investment compared to other similar products on the financial markets
- if continuation of the fund is no longer possible at an acceptable risk and at market-consistent conditions

Written notice of the impending liquidation or merger will be sent to all policyholders in question before the liquidation or merger takes place. The written notice will describe the options available to policyholders, which are to transfer the fund reserves, converted into units, to another AG Insurance undefined maturity investment fund, or to surrender the fund reserves, converted into units, at no charge, provided the investment was not made for tax shelter purposes.

If no preference is given, the reserves held in the fund in question, converted in units, will automatically be transferred upon the liquidation or merger of the fund, in accordance with the terms outlined in the written notice.

Market Timing Practices

Market timing is a type of arbitrage strategy that involves making purchases and redemptions or internal and external transfers within a short period of time and in a systematic and/or excessive and/or repetitive way. Policyholders are prohibited from using market timing strategies as they may negatively impact fund performance by driving up costs and/or reducing investor returns. Purchases, redemptions and transfers are executed based on forward pricing, i.e. the unit price is only known when the deal is done. As market timing practices are not permitted, purchase, redemption and transfer orders may be declined if the policyholder is suspected of engaging in such practices or if these transactions reflect characteristics of such practices.

Fund Manager

AG Insurance will serve as the fund manager for direct investments in assets. AG Insurance is free to select another manager for investments made via a collective investment vehicle (OPC/ICB) and to switch to a different manager at any time during the life of the contract. A quarterly overview of the appointed manager(s) as well as the Management Regulations applicable to collective investment vehicles are available from the AG Insurance headquarters upon request.

Amendments to the Management Regulations

AG Insurance reserves the right to amend the General Management Regulations, in part or in full, as well as the Specific Management Regulations for any of the undefined maturity investment funds. Policyholders will be notified if the amendments entail fundamental changes to fund characteristics. In this case, policyholders will be entitled to surrender their insurance contracts in full during the timeframe indicated in the notice, and no exit fees will be charged.

Availability of the Management Regulations

The Management Regulations are available upon request at AG Insurance's headquarters on 53 boulevard Emile Jacqmain in B-1000 Brussels (BELGIUM). Only the latest version will be applicable to the contract.

SPECIFIC MANAGEMENT REGULATIONS FOR THE EB DYNAMIC PORTFOLIO FUND

Fund Name and Linked Insurance Products

The name of the fund is the **EB Neutral Portfolio**. This fund may be linked to an AG Employee Benefits insurance product.

Fund Inception Date

17 October 2016

Pre-Offering Period

N/A

Fund Maturity Date

The fund has no set maturity date.

Investment Objectives and Investment Policy

The EB Neutral Portfolio fund aims to provide investors with an optimal return relative to the risk class attributed below.

To achieve this objective, the fund invests primarily in underlying AG Insurance funds that invest primarily in equities and fixed income securities. A small share of the investment may also be in non-proprietary funds (third-party funds).

The underlying funds are managed through direct investment in these securities or via derivative instruments, or through

the direct or indirect purchase of shares of other open-end collective investment vehicles¹, whether listed or non-listed, invested in equities and/or bonds with no geographic restrictions as well as closed-end collective investment vehicles, listed or non-listed, and other collective investment vehicles such as "funds of funds".

In addition, alternative investment vehicles may be used as a way to invest in real estate and/or other securities, financial instruments and the money market. Capital gains and income earned will be reinvested in the fund, as stipulated in the Management Regulations. The portfolio is under active management.

The maximum and minimum allowable percentages that can be invested per asset class for each of the underlying funds are presented in the table below:

Asset class	Minimum	Maximum
Equities	25%	60%
Bonds	25%	75%
Real estate	0%	10%
Alternative investment vehicles	0%	25%
Money market	0%	50%

The fund manager may rebalance the asset allocation to adapt to changing market conditions.

The investment objectives and investment policy for each of these underlying funds are detailed in their respective Management Regulations, available upon request from the AG Insurance headquarters at 53 boulevard Emile Jacqmain in B-1000 Brussels (BELGIUM). Only the latest version of these documents will be applicable to the contract. All of the investment risk will be borne by the policyholder.

The fund may temporarily lend out its holdings to third party financial institutions ("securities lending") for the purpose of enhancing the returns on its portfolio, provided that this is in accordance with the best interests of the policyholders and the investment objectives. Loans are typically executed under standardised agreements. To provide the lender with a safety cushion for protection from financial loss, the borrower will be required to post collateral that exceeds the value of the loaned securities. A securities loan will have no effect on the fund's risk profile, nor will it jeopardise the ability to execute asset management plans or pay out the cash surrender value upon request.

Geographic Focus

The underlying assets are based worldwide.

Investment Restrictions

- a) The fund cannot own or invest in real estate directly.
- b) The fund cannot acquire precious metals, commodities or merchandise. This restriction applies to direct acquisitions only. Purchases via contracts, options or certificates representing ownership will be authorised, although in limited quantities only.
- c) The fund may borrow the equivalent of up to 25% of its net assets, provided that the borrowing is on a temporary basis.
- d) The fund cannot pledge or assign its assets.

Unit Value Currency

EUR

Frequency of Unit Value Calculation and Availability of Information

The unit value will be calculated on a daily basis and posted on the company's website for information purposes only.

¹ *Organismes de Placement Collectif (OPC)/ Instellingen voor Collectieve Belegging (ICB)*

Management Fees

Management fees for the EB Neutral Portfolio fund and the underlying fund(s) under management amount to 1.00% per year, calculated at the rate of 1/365th per day, including the insurer's commission.

Risk Class

To guide the policyholder in the investment decision-making process, the insurer assigns a risk class to each investment fund. The risk class is determined based on the standard deviation of the fund's monthly return and ranges from 1 to 7, where 7 represents the highest level of risk.

On May 31st 2017, the risk class attributed to EB Neutral Portfolio was 4. This risk class may vary over time and will be calculated at least once per year.