

BERMUDA INVESTMENT ADVISORY SERVICES LTD

MANAGED PORTFOLIO SERVICE AGREEMENT

THIS AGREEMENT is made the _____ day of _____ Two thousand and _____ between **BERMUDA INVESTMENT ADVISORY SERVICES LTD.** (hereinafter referred to as “**BIAS**”), a Company incorporated in and under the laws of Bermuda having its registered offices at 4th Floor, Vallis Building, 58 Par-la-Ville Road, Hamilton, HM 11, Bermuda, of the one part and: _____ (hereinafter referred to as “**The Client**”), of _____

WHEREAS:

1. The Client now desires to appoint BIAS to manage on a wholly discretionary basis property of the Client now and from time to time held by BIAS (hereinafter referred to as “the Property” and which expression shall, where the context so admits or requires, include any part thereof), and
2. BIAS desires to act as the Client’s Investment Manager and manage the Client’s Property in accordance with the terms outlined in the Agreement.

NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:-

1. Appointment And General Discretion

- a. The Client hereby appoints BIAS as its investment manager and agent to invest and manage the Property on its behalf upon the terms hereinafter contained and BIAS accepts such appointment.
- b. The provisions of this Agreement shall take precedence over any previous agreement whatsoever reached between the Client and BIAS.

2. Powers

Subject to any general investment objectives and guidelines set out in the First Schedule hereto, BIAS shall have the following powers:—

- a. To invest and manage the Property in any currency and in any part of the world in such bonds, notes, debentures, certificates of deposit, time deposits, common or preferred stocks, shares, mutual fund shares, unit trust, units, options, futures, forward contracts, other securities and commodities (including precious metals) as BIAS in its sole discretion may determine and sell, assign, transfer, exchange or otherwise deal with the Property in such manner for such consideration and upon such terms and conditions as BIAS in its sole discretion may determine and generally to do such other investment

acts in relation to the Property as BIAS may from time to time deem necessary or proper or otherwise to be in the interests of the Client and to perform any of the aforesaid by or through correspondents or agents;

- b. To register all securities requiring registration at the discretion of BIAS in a nominee name of BIAS or its agents and to keep the Property with any one or more banks or financial institutions in any part of the world which provide custodian services and to enter into custodian and depository arrangements with any such persons;
- c. To utilise depository facilities of any system for the central handling of securities; and
- d. To hold the Property in cash or uninvested pending investment in accordance with the provisions of subparagraph a. hereof or the disbursement of cash in accordance with the Client’s instructions.

3. Investment Instructions

- a. The Client may from time to time give specific instructions in writing by letter, telex or facsimile with regard to the sale, retention, investment and reinvestment of the Property and the purchase of other property in substitution therefore and BIAS shall be entitled to rely on instructions which it reasonably believes are given by the Client.

4. Limitation Of Liability & Indemnities

- a. Neither BIAS nor any of its shareholders, directors or employees shall be liable for any act, omission, error of judgment, mistake or loss suffered by the Client (including without limitation, any losses that may be sustained in connection with the purchase, holding, redemption or sale of any security on behalf of the Client) except such as may result from fraud, willful misconduct or negligence by BIAS. BIAS shall not be liable for any act, omission, error or judgment, mistake, fraud, willful misconduct, or negligence of any mutual fund manager, independent representative, broker or other person selected or engaged by BIAS on behalf of the Client in the performance of this Agreement unless such person was selected or engaged by BIAS negligently.
- b. The Client hereby indemnifies and keeps indemnified and holds harmless BIAS from and against all actions, proceedings, claims, costs, demands and expenses which:—
 - i. Result in any way from the performance or non-performance of BIAS's duties hereunder except such as may result from fraud, willful misconduct or willful default by BIAS, or
 - ii. Arise or are brought against BIAS by virtue of BIAS having acted in accordance with any instruction of the Client except such as may result from fraud, willful misconduct or willful default by BIAS.

5. Understandings

The Client understands and agrees that BIAS and any of their officers, directors, employees or customers may have positions in investments held or purchased or sold for the Client.

6. Confidentiality

BIAS will hold confidential all information received from the Client regarding the Client's financial affairs and the Client will hold confidential all investment advice and information provided by BIAS with the exception of clarifying investment details to the beneficiaries of the trust.

7. Bank Transaction And Other Charges

The Client agrees to assume the responsibility for and pay all Bank fees, charges and all transaction charges including money transfer and currency conversion charges in relation to the assets governed by this Agreement.

8. Remuneration

- a. BIAS's remuneration for providing its services hereunder shall be in accordance with the scale of fees set out in the Second Schedule hereto which scale is subject to change on twenty-eight (28) days written notice by BIAS to the Client.
- b. In the absence of any specific direction to the contrary, the Client hereby authorises BIAS to withdraw cash from the Client's property with respect to the payment of accrued fees to BIAS or transaction charges incurred by BIAS on behalf of the Client.

9. Duration Of Agreement & Termination

- a. Subject to the provisions of sub-clause b. of this clause, this Agreement may be terminated by either party upon ninety (90) days written notice to the other party.
- b. The provisions of clauses 4 and 7 of this Agreement shall remain in full force and effect notwithstanding termination of the remainder of the Agreement in accordance with sub-clause a. of this clause unless and until BIAS terminates the same by giving written notice of termination to the Client.
- c. If this Agreement is terminated by either party, BIAS will have thirty (30) days to transfer to the Client the Property subject to such further direction as the Client may give in writing by letter delivered by hand to BIAS.

10. Governing Law

This Agreement shall be governed by and constructed in accordance with the laws of Bermuda and the parties hereto submit to the non-exclusive jurisdiction of the Courts of Bermuda.

11. Voting Rights

Except with the Client's agreement or on the Client's specific instructions, BIAS shall not exercise any voting rights attaching to any investments into which the Property is invested.

12. Reports

BIAS will report to the Client with regard to strategy, performance and outlook on a quarterly basis.

13. Notices

All notices are deemed to have been properly given if delivered by hand to the addresses below and such further addresses of the parties as advised by the parties in writing to the other.

To: **BERMUDA INVESTMENT ADVISORY SERVICES LTD.**
4th Floor, Vallis Building,
58 Par-la-Ville Road,
Hamilton HM 11

To: **THE CLIENT**

14. Waiver

No provisions of this Agreement may be changed, waived, discharged or discounted except in writing signed by the parties hereto.

15. These presents contain the whole agreement between the parties hereto and supersede all negotiations and representations made prior to the date hereof which shall be of no effect unless specifically included herein.

SEE ATTACHED FIRST AND SECOND SCHEDULES

IN WITNESS WHEREOF the common seals of BIAS and the Client have been hereunto affixed the day and year first above written.

**THE COMMON SEAL of BERMUDA
INVESTMENT ADVISORY SERVICES
LTD.** is hereunto affixed in the presence of:)
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WITNESS:

THE COMMON SEAL OF)
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)
IS HEREUNTO AFFIXED)
)
)
in the presence of:)
)

WITNESS:

FIRST SCHEDULE

INVESTMENT GUIDELINES & OBJECTIVES

In order for BIAS to manage the portfolio of assets effectively, we must have clear and concise guidelines and objectives established by the Client. The following outline must be completed by the Client prior to BIAS setting up appropriate strategies for the account.

INVESTMENT OBJECTIVE: <i>Indicate which statement best describes your investment objective:</i>	
PRESERVATION OF CAPITAL	
INCOME	
MAXIMISE CAPITAL GROWTH	
SHORT-TERM TRADING	
RISK EXPOSURE: <i>The level of risk allowable is an essential part of return. Please indicate below what is acceptable for achieving your investment objectives.</i>	
LOW RISK	
MODERATE RISK	
SPECULATION	
HIGH RISK	
BASE CURRENCY: <i>BIAS will set up portfolios using the base currency of the Client's choice. Indicate here the currency in which the portfolio should be valued and performance measured.</i>	
TIME HORIZON: <i>Please indicate below the length of time these investments will be committed before being drawn upon:</i>	
SHORT TERM (LESS THAN 2 YEARS)	
MEDIUM TERM (FROM 2 TO 7 YEARS)	
LONG TERM (MORE THAN 7 YEARS)	
INVESTMENT PARAMETERS:	
a) <i>Indicate below those asset classes that BIAS may NOT utilise in this portfolio. (Mutual funds may use options and futures on a fully covered basis with the view to hedging risk):</i>	
EQUITIES	
FIXED INCOME	
FUTURES	
OPTIONS	
OTHERS	
b) <i>Please also indicate whether BIAS may invest in securities denominated in currencies other than the portfolio's base currency.</i>	
c) <i>Also indicate the maximum currency exposure that may be taken outside of the portfolio's base currency.</i>	
	%
d) <i>It is necessary for BIAS to know the lowest credit rating acceptable to the Client for Fixed Income Securities and the maximum maturity acceptable in the Fixed Income portion of the portfolio. Please indicate below.</i>	
CREDIT RATINGS	BUY: _____ HOLD: _____
MAXIMUM MATURITY	_____ years

If, at any time in the future, your circumstances should change which might effect the investment objectives and guidelines for this portfolio please contact BIAS as soon as possible.
 Any changes in the above guidelines must be agreed between BIAS and the Client in writing.

Client initial: _____

**SECOND SCHEDULE
INVESTMENT MANAGEMENT FEES**

The following listed fees are those charged for the provision of Bermuda Investment Advisory Services Limited's *Managed Portfolio* service. They are correct as of the date on which they have been listed, but are subject to change.

Equity and Mixed (Fixed Income and Equity) Portfolios

First \$1 million	1.75%
Next \$1 million	1.50%
Next \$1 million	1.25%
Next \$1 million	1.00%
Next \$1 million	0.75%
Over \$5 million	minimum 0.50%

Fixed Income Portfolios

First \$3 million	0.75%
Next \$3 million	0.65%
Next \$2 million	0.50%
Next \$2 million	0.35%
Over \$10 million	Custom pricing, minimum 0.25%

For both portfolios, fees are billed and charged quarterly in advance directly from the assets within the portfolio and are subject to a minimum annual charge of \$15,000.

Client initial: