5. Participation by Plan Accounts in Warburg International's cross-trade program will be subject to several conditions. Each cross-trade transaction will involve only securities for which there is a generally recognized market. With respect to any non-U.S. securities, only those securities traded on a recognized foreign securities exchange for which market quotations are readily available will be involved in the crosstrade program. Each cross-trade transaction will be effected at the current market value for the security on the date of the direct cross-trade. For equity securities, the current market value will be the closing price for the security on the date of the transaction. The "closing price" will be the last trade price on exchanges where dealing is order-driven and the closing midmarket price (i.e. the average of the closing bid and offer prices) where dealing is quote-driven. For all domestic or foreign debt securities, the current market value will be the fair market value of the security as determined pursuant to paragraph (b) of SEC Rule 17a-7 under the 1940 Act. In this regard, SEC Rule 17a-7(b) contains four possible means of determining "current market value" depending on such factors as whether the security is a reported security and whether its principal market is an exchange. This Rule is also applicable to registered investment companies for which Warburg International or an Affiliate acts as an investment advisor.

Warburg International will receive no fees or other incremental compensation (other than its previously agreed upon investment management fee) with respect to any direct cross-trade transaction.

6. A fiduciary of a Plan Account independent of Warburg International and its Affiliates (i.e. the Independent Fiduciary) will provide written authorization allowing for the Plan Account's participation in Warburg International's cross-trading program, before any specific cross-trades for such Account are effected. This authorization will be terminable at will without penalty to the Plan Account upon written notice to Warburg International of such termination. In addition, before any such general authorization is granted, Warburg International will provide the Independent Fiduciary with all materials necessary to permit an evaluation of the cross-trade program. These materials will include (but not be limited to) a copy of the proposed and final exemptions, an explanation of how the authorization may be terminated, a description of Warburg International's cross-trade practices, and any other

reasonably available information regarding the matter which the Independent Fiduciary may request.

7. After a Plan Account's participation in Warburg International's cross-trading program is authorized, Warburg International will furnish periodic reports to the Independent Fiduciary, at least once every three months, and no later than 45 days following the period to which it relates, disclosing: (a) A list of all cross-trade transactions engaged in on behalf of the Plan Account; and (b) with respect to each cross-trade transaction, the prices at which the securities involved in the transaction were traded on the date of such transaction. The Independent Fiduciary will also be furnished with a summary of certain additional information at least once per year. The summary will be furnished within 45 days after the end of the period to which it relates, and will contain the following: (a) A description of the total amount of the Plan Account's assets involved in crosstrade transactions during the period, (b) a description of Warburg International's cross-trade practices, if such practices have changed materially during the period covered by the summary, (c) a statement that the Independent Fiduciary's authorization of cross-trade transactions may be terminated upon receipt by Warburg International of written notice to that effect, and (d) a statement that the Independent Fiduciary's authorization of the Plan Account's participation in the crosstrade program will continue in effect unless it is terminated.

8. The Accounts involved in crosstrade transactions will not include assets of any Plan established or maintained by Warburg International or its Affiliates to provide income to its employees or to result in a deferral of income by employees for periods extending to the termination of covered employment or beyond.

Each employee benefit plan comprising a Plan Account participating in Warburg International's cross-trading program will have total assets equal to at least \$25 million. In the case of multiple employee benefit plans maintained by a single employer or controlled group of employers, the \$25 million requirement may be met by aggregating the assets of such plans if the assets are commingled for investment purposes in a single master trust.

9. Warburg International states that a Plan Account's participation in its cross-trade program will also be subject to certain special conditions. In addition to requiring a general authorization of a Plan Account's participation in the

cross-trade program, an Independent Fiduciary will specifically authorize each cross-trade transaction. Any such authorization will be effective only for a period of three business days and will be subject to certain pricing and volume limitations (as discussed in Paragraph 10 below). The authorization to proceed with the cross-trade transaction will be either oral or written. If a cross-trade transaction is authorized orally by an Independent Fiduciary, Warburg International will provide a written confirmation of the authorization in a manner reasonably calculated to be received by the Independent Fiduciary within one business day from the date of such authorization. The Independent Fiduciary will be sent a written confirmation of the cross-trade transaction, including the price at which it was executed, within ten days of the completion of the transaction.

10. Warburg International states that a cross-trade transaction will be effected only where the trade involves less than five (5) percent of the aggregate average daily trading volume for the securities involved in the transaction for the week immediately preceding the authorization of the transaction. A cross-trade will exceed this limit only by express written or oral authorization of an Independent Fiduciary for each Plan Account involved, prior to the execution of the cross-trade. With respect to pricing, a cross-trade transaction will not be made at a price which differs by more than ten (10) percent from the price at the close on the day before specific authorization was provided by the Independent Fiduciary.

11. Warburg International represents that it is conceivable that situations will arise in which it will be necessary to allocate cross-trade opportunities among several Accounts. Warburg International will make these decisions pursuant to a non-discretionary pro-rata allocation system. For example, in the event that the number of shares of a particular security which a Selling Account needs to sell on a given day is less than the number of shares of such security which other Buying Accounts need to buy on that date, the cross-trade opportunity will be allocated among potential Buying Accounts on a pro-rata basis. A similar procedure would apply where the number of shares of a particular security to be sold by Selling Accounts is more than the number of such shares which any Buying Accounts need to buy on that date. Thus, the Accounts participating in Warburg International's cross-trade program will have the opportunity to participate on a proportional basis in cross-trade