

Minutes of the

31st General Meeting of Members held in London on October 7th, 2015

Chaired by: **Ingo Wichelhaus (Member of the BVZL Executive Board)**

Minutes recorded by: **Sofie Türk**

Attendees:

BVZL Executive Board:

Christian Seidl	Life Bond Management GmbH
Ingo Wichelhaus	West Life Markets GmbH & Co KG

Full members:

Simon Erritt	Coventry
Uwe Jablonka	North Channel Bank GmbH & Co. KG
Dr. Nikolaus Seitz	Policy Administration Services GmbH
Ingo Wichelhaus	West Life Markets GmbH & Co. KG

Full members represented by authorized proxy:

Andreas Graf von Rittberg	BVT Life Bond Management GmbH
Michael G. Hoesch	Life Bond Holding GmbH & Co. KG
Dean Goff	Partner in Life S.A.
Dr. Robert Wenninger	WTW Weidinger Thiele Wenninger

Sustaining Members:

Peter Jäderberg	Jäderberg & Cie. GmbH
Anna M. Bailey	RiverRock Trust, LLC
Wilfried van der Post	UniCredit Bank AG
Sascha Jahns	UniCredit Bank AG

PR Agency:

Lothar Trummer	ConsulTancy GmbH
Sofie Türk	ConsulTancy GmbH

Place: Ernst & Young LLP, 1 More London Place, London SE1 2AF

Time: 10:10-11:30 am

Agenda:

- 1. Welcome/Agenda**
- 2. Members and BVZL Sections**
 - a) New members
 - b) Withdrawal of members
 - c) Reelection of Ingo Wichelhaus
 - d) International Section
- 3. 2015/2016 Budget**
 - a) 2015 Budget
 - b) 2016 Budget
- 4. Short update on BVZL Sections**
 - a) German Market
 - b) UK Market
 - c) US Market
 - d) International
 - e) Legal and Tax
 - f) Communications and Politics
- 5. Status quo of current projects/overall strategy**
- 6. Amendment of BVZL by-laws**
- 7. Miscellaneous and Next General Meeting**

1: Welcome and Agenda

- Board members Ingo Wichelhaus and Christian Seidl opened the meeting by welcoming the representatives from the member companies as well as all other attendees.
- Members were told that the invitation for the meeting along with the agenda had been sent in due time (on September 15, 2015) and that no objections or amendments to the agenda had been made.
- Mr. Wichelhaus stated that the required quorum of 25% had been established. Four (out of 13) full members with voting power were present and another four represented by authorized proxy.
- With regard to the minutes of the 30th (virtual) General Meeting of Members of April 21, 2015, there were no objections or comments from the members.

2: Members and BVZL Sections

a) New members:

This year through September 2015, no new members were admitted. Ingo Wichelhaus called for members to promote membership of the BVZL.

b) Termination of membership:

Termination per December 31, 2015:

- Asset Servicing Group, LLC
- Life Equity, LLC
- Policy Administration Services GmbH
- Coventry

c) Reelection of Ingo Wichelhaus as Board Member

There were no objections from members with regard to Christian Seidl acting as election administrator. Mr. Wichelhaus' official term as Board Member responsible for German affairs ends per December 31, 2015. Christian Seidl emphasized the great work done by Mr. Wichelhaus for the BVZL and suggested that his term be extended by another two years. On the part of the members, there were no comments or counterproposals.

The vote in favor of Mr. Wichelhaus' reelection was unanimous; there were no abstentions. His term of office will therefore be extended by another two years and will last from January 1st, 2016 through December 31, 2017.

d) International Section

The International Section had been set up to open up new markets. As this has been proving difficult, the Executive Board of BVZL suggested that the section be discontinued and its tasks be transferred to the other sections (Germany, USA and UK). There were no comments from members on this item.

The vote was unanimous in favor of the proposal; there were no abstentions.

3: 2015/2016 Budget

a) 2015 Budget

The budget plan was distributed to members at the start of the meeting and has been attached to the invitation e-mail.

Mr. Wichelhaus informed participants that BACO and Capital Life Advisors had not settled their 2015 membership fee and would therefore be excluded. All other fees had been paid in time. He said that due to the default, the budget showed a negative 1,713.81€, which could however be compensated for using the credit balance of previous years.

Answering a question from the audience, Mr. Wichelhaus said that for the current year it was expected to win one new sustaining member (as budgeted).

There were no further questions or comments from members on the 2015 budget.

b) 2016 Budget

Mr. Wichelhaus said that for 2016, expectations were to win two new full members and two new sustaining members (as budgeted). To relieve the budget, it was planned to terminate the agreement with Meltwater on Media Monitoring. Mr. Wichelhaus said that currently, there were no budget provisions for the individual BVZL sections, however if new members could be won, this could still happen in retrospect. Currently, the budget showed a plus of 3,158.26€.

There were no questions or comments from members on the 2016 budget plan.

4: Short update on BVZL Sections

Mr. Wichelhaus asked to move this item forward and cover it at the end. There were no objections against this.

5: Status quo of current projects/overall strategy (Christian Seidl)

Christian Seidl reported that the cooperation with ELSA had developed very well and the second joint summit had again proved a great success. Therefore, considerations had been made to pool capacities and unite the two associations.

The attached presentation contains further information and calculations. The details of a merger between the two associations must however still be developed. ELSA is going to debate this issue in their next members' meeting.

On the part of the BVZL members, reactions were positive throughout. Ingo Wichelhaus reported that he had previously talked to members who could not come to London, and their feedback as well was in favor of this move.

Mr. van der Post, UniCredit Bank AG, pointed out that discussions within the German Section would be required, due to the changes following a merger and also higher fees for sustaining members (which would not be justifiable if there was no real add value for members). He therefore proposed a transition period.

Mr. Seidl said that the various secondary and tertiary markets for life insurance were in a consolidation phase and the BVZL's top priority should be to expand its member base while at the same time increasing (cost) efficiency. Should the number of actors on the secondary and tertiary life insurance markets stagnate or continue to decrease, an organic growth of the BVZL would not be possible or only hard to achieve, especially with regard to the BVZL's continued focus on the German market. Merging with ELSA would not only achieve the required and immediate member base expansion, but would also be in line with BVZL's strategy of internationalization that has been pursued for the past few years and which is required to put the BVZL on eye level with LISA and ILMA as the European trade association for international secondary and tertiary life insurance markets and investments in biometric risks.

Mr. Seidl said that under consideration of the current "isolated" financial planning of the BVZL and realistic assumptions regarding future member base developments, momentarily there was no possibility to allocate special budgets for certain projects to the sections (e.g. Research, Marketing, PR). A merger would lead to a healthy financial standing of the new association, enabling it to support and drive various projects, also with regard to staffing.

Mr. Seidl's projection is that a merger of BVZL and ELSA would be a logical next step and a win-win situation for both associations. Talks with members of BVZL and ELSA – held prior to the General Meeting – reflect this view.

With regard to the actual merging process, Mr. Seidl emphasized that members of both associations would have to pass a resolution first (cf. attached presentation).

In the coming weeks there would therefore be detailed talks between BVZL and ELSA so that by the end of the first quarter 2016 the necessary resolutions would be in place. The operative and formal implementation could then take place in the second quarter of 2016, rendering the new association effective from July 1, 2016 (approximately).

6: Amendment of BVZL By-Laws

The exact wording of the amendments was provided to members prior to the General Meeting along with the agenda. For an amendment of the by-laws, there must be agreement by at least 75% of full voting members.

Ingo Wichelhaus read out the amendments in German and English.

Resolution for an amendment of the by-laws of the Bundesverband Vermögenanlagen im Zweitmarkt Lebensversicherung e.V. as of April 30, 2004:

§12.1. read so far: The ordinary General Assembly of Members shall be held at least twice a year, whereby a General Assembly of Members comprising the statement of accounts and the cash report as subject matter has to be held in the first quarter.

§12.1. is to be amended as follows: The regular General Meeting of Members shall be held at least once a year.

§13.8. read so far: Assembly resolutions can also be passed in writing or per fax, if all full members are involved in the resolution through the Executive Board. A notification period of at least 2 weeks is to be set for the written casting of votes. If a member does not cast his/her vote within the set period, this applies as an abstention.

§13.8. is to be amended as follows: Meeting resolutions may also be passed in writing and/or per fax, over the phone or in a web conference, provided full members were given a notice period of three weeks to enable them to participate. As regards written votes and/or voting by fax, a notice period of two weeks is required. If a member does not cast their vote within this period, this counts as an abstention. For voting via phone or web conference, all full members or their legal proxies must be identified and the decision set out in writing.

On the part of the members, there were no questions or comments. All four full members present voted in favor of the amendment of the by-laws. There were no abstentions or objections.

Prior to the General Meeting, the Executive Board had obtained written agreement on the amendments by the following full members:

- WealthCap GmbH
- WTW Weidinger Thiele Wenninger
- Cash.life AG
- Mercurius AG
- Policendirekt Versicherungsvermittlung GmbH
Partner in Life S.A.

Life Bond Holding GmbH and BVT Life Bond Management GmbH had authorized Christian Seidl in writing to vote for them as proxy.

The amendment of by-laws has therefore been agreed on.

4: Short update on BVZL sections

a) German Section (Ingo Wichelhaus)

The developments of the German market can be reviewed in detail in the attached presentation, which was held by Ingo Wichelhaus at the BVZL/ELSA Summit the previous day. As all participants at the General Meeting had also taken part in the Summit, Mr. Wichelhaus did not repeat its content.

There were no questions or comments from members.

b) UK Section (Dr. Nikolaus Seitz)

Dr. Seitz informed members that with regard to "TEPs", there were no news. However, in the UK a new interesting market was developing, "Traded Annuities". In this context, Dr. Seitz referred to the presentations and key note speech held at the BVZL/ELSA Summit.

c) Legal & Tax (Dr. Robert Wenninger)

As instructed by Dr. Wenninger, Mr. Wichelhaus reported that there were no news from the Legal & Tax Section.

d) US Section (Christian Seidl)

With regard to recent developments, Christian Seidl referred to the presentations held at the BVZL/ELSA Summit.

e) International Section (Peter Jäderberg)

In pursuance with the passed resolution (cf. 2d)), the International Section is no longer in place.

f) Section Communication & Politics (Lothar Trummer)

Lothar Trummer said that a list of planned measures for the German Section would be distributed together with the minutes of this General Meeting (cf. attached document). Due to the planned merger, medium- to long-term planning was however not possible at present.

5: Miscellaneous and Next General Meeting of Members

There is not yet a scheduled date for the next General Meeting, as it will depend on merger plans and discussions with ELSA.

Ingo Wichelhaus and Christian Seidl thanked all attendees for coming and their attention. The meeting was closed.



(sgd. Ingo Wichelhaus
Member of the Executive Board)



(sgd. Christian Seidl)
Member of the Executive Board)



(sgd. Sofie Türk, Minute Taker)