

Annuity Compensation Disclosure and Acknowledgment

This disclosure document is presented to you in connection with your purchase of an Annuity. The disclosure of this information is intended to satisfy the requirements of U.S. Department of Labor Prohibited Transaction Exemption or PTE 84-24. This document includes additional information pertaining to the benefits the Agent and the Insurance Agency may receive from their sale of an Annuity. You should consider all this information prior to purchasing the Annuity.

Agent Name: _____

Applicant Name: _____

Annuity Product Purchased: _____ (the "Annuity")

Issuing Insurance Company: _____ (the "Insurance Company")

Relationship Between Agent and Insurance Company

I am not an affiliate or an employee of the Insurance Company. I am an independent contractor appointed by the Insurance Company or its agent to sell insurance products issued by the Insurance Company. My agreement with the Insurance Company or its agent does not affect or in any way limit my ability to make recommendations, nor does it require me to recommend the Insurance Company's products to the exclusion of other companies' products. I am also appointed by other insurance companies to sell their products.

Commissions

The Insurance Company or my insurance agency pays me commissions for each Life Insurance, Disability Insurance, Health Insurance and Annuity policy that you purchase in connection with my recommendations. These commissions are paid by the Insurance Company, which means that in the case of an annuity, 100% of your premium payment will be credited to your account value. In connection with your purchase of the Annuity, I will be compensated as follows:

During the first year that you own the Annuity, I will be paid a commission of ____% of the amount of premiums received by the Insurance Company during the first contract year.

In each of the succeeding years that you own the Annuity, I will be paid a commission of ____% of your account value each year the Annuity is in force.

Commissions earned by me as an insurance agent may be substantially more than would be earned in my capacity as an investment adviser representative in a given time period. Specifically, commissions may equal several years of advisory fees (e.g., an annuity product commission may equal four to six years value of advisory fees). There is a potential that I receive higher amounts now in connection with the sale of insurance products, through product-based commissions, relative to investment advisory account fees that are paid on a monthly basis in arrears based on the assets under management (which do not include insurance products) out of the investment account assets. The amounts of the commissions will vary, and therefore, the time in which an equivalent advisory fee would be earned also varies. As an insurance

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agent, I am also eligible to receive incentives and other compensation based on and related to insurance transactions. These incentives include, but are not limited to, additional bonuses, gifts, and trips to conferences. This can create an incentive to recommend that you purchase insurance products due to my receipt of commissions and other incentives and compensation. My receipt of commissions and/or incentives from the Insurance Company in connection with the sale of an insurance product represents a conflict of interest. This conflict of interest is mitigated because the investment may offer a better financial return relative to its risk profile over the long term as compared to other investment products. For additional information, please see JB Capital, LLC's Form ADV Part 2A Disclosure Brochure found on the SEC's website at www.adviserinfo.sec.gov. You can view JB Capital, LLC's information on this website by searching for JB Capital, LLC or by its CRD number 171168.

My insurance agency will earn commission amounts that are in excess of the commissions that it pays me. Generally, an insurance agency earns between 5% and 9% in compensation on a fixed-index annuity premium before it pays out the agent's portion of compensation. Insurance carriers and insurance marketing organizations incentivize insurance agencies with bonuses (marketing overrides or similar payments), as well as through other incentives and compensation, based on the amount of business placed with that particular carrier or organization. This further increases the value that my insurance agency would receive, increasing the multiple against my commission. Agents do not receive any portion of these bonuses. These bonuses increase the conflict of interest as my insurance agency will receive significant commissions for the placement of insurance business. This can create an incentive to place a majority of an agency's business with a few insurance companies.

Applicant Acknowledgment and Approval

By signing below, I acknowledge receipt of the information contained in this Annuity Compensation Disclosure and Acknowledgement Form. I further acknowledge that I received the disclosure information prior to the purchase of the Annuity contract. I approve the purchase of the Annuity contract including the compensation and other charges under the contract.

Applicant Name: _____

Applicant Signature: _____

Date: _____