



CADENCE
CAPITAL LIMITED

2nd December 2021

Management Agreement

With the existing management agreement between Cadence Capital Limited (Company) and Cadence Asset Management (Pty) Limited expiring, the Company is pleased to announce that it has entered into a new management agreement with Cadence Asset Management (Pty) Limited on the same terms as the previous agreement, to take effect from 4th December 2021.

A copy of the Management Agreement is attached.

Regards,

Wayne Davies
Company Secretary
Cadence Capital Limited



Management Agreement

Cadence Capital Limited
(ACN 112 870 096)

Cadence Asset Management Pty Limited
(ACN 106 551 062)

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This Management Agreement is made on 2nd December 2021

Parties:

1. **Cadence Capital Limited** (ACN 112 870 096) of Level 11, 131 Macquarie Street, Sydney NSW 2000 (**Company**);
2. **Cadence Asset Management Pty Limited** (ACN 106 551 062) of Level 11, 131 Macquarie Street, NSW 2000 (**Manager**).

Recitals:

- A. The Company proposes to carry on the business of making and holding investments in Securities.
- B. The Company has agreed to appoint the Manager to manage the investment portfolio of the Company with effect from the date the Manager is granted an Australian Financial Services Licence and the Manager has agreed to accept its appointment to manage the investment portfolio of the Company on the terms and conditions contained in this Agreement.

1. Definitions and Interpretation

1.1. Definitions

In this Agreement, unless a contrary intention appears:

Accounting Standards means the accounting standards and practices determined under Clause 1.4.

AFSL means Australian Financial Services Licence issued by ASIC under Part 7.6 of the Corporations Act.

Applicable Regulations means the Corporations Act and the ASX Listing Rules as they apply to the Company for the purposes of this Agreement.

Approved Valuer means any duly qualified persons independent both of the Company and the Manager recommended by the Manager (who when making such recommendations must have regard to the particular type or types of Investment which are to be the subject of the valuation) and appointed and instructed in writing by the Manager to value an Investment for the purpose of this Agreement.

ASIC means the Australian Securities and Investments Commission.

Associate has the meaning given to that term in Division 2 of Part 1.2 of the Corporations Act.

ASX means the Australian Securities Exchange, or if the context requires, ASX Limited ABN 98 008 624 691.

ASX Listing Rules means the listing rules of the ASX.

Bank means an Australian bank.

Board means the board of directors of the Company.

Business Day means a day other than a Saturday or Sunday on which Banks located in the Sydney metropolitan area are open for general banking business.

Cash includes cheques, bank deposits, bank cheques, bank transfers, bank drafts and bills of exchange.

Change of Control means:

- (a) the Manager becomes a Subsidiary of another body corporate; or
- (b) the Manager becomes under the Control of a party that was not in Control of it at the date of execution of this Agreement.

Control has the same meaning as in section 50AA of the Corporations Act.

Custodian means the custodian appointed by the Manager to hold all or part of the Portfolio from time to time.

Commencement Date means 4 December 2021.

Corporations Act means the *Corporations Act 2001* (Cth).

Force Majeure includes, without limitation, fire, storm, flood, earthquake, explosion, accident, act of the public enemy, war, rebellion, insurrection, sabotage, epidemic, terrorist attack, quarantine restriction, labour dispute, labour shortage, transportation embargo or failure or delay in transportation, act of God, act (including laws, regulations, disapprovals or failure to approve) of any government or agency whether national, municipal or otherwise.

GST:

- (a) has the same meaning as in the GST Law;
- (b) includes any other goods and services tax or any Tax applying to this Agreement in a similar way; and
- (c) includes any additional tax, penalty tax, fine, interest or other charge under a law for such a tax.

GST Law has the meaning given to that term in section 195–1 of the *A New Tax System (Goods and Services Tax) Act 1999* (Cth) (as amended).

Insolvency Event means in relation to a Party:

- (a) an order is made or an application is made for the winding up of that Party and that order or application is not withdrawn or set aside within 15 Business Days;
- (b) a liquidator or provisional liquidator of that Party is made or appointed or an application is made for the appointment of a liquidator or provisional liquidator and that application is not withdrawn or set aside within 15 Business Days;
- (c) an effective resolution is passed for the winding up of that Party or a meeting is convened for the purpose of considering any such resolution;
- (d) that Party is placed under any formal or informal kind of insolvency administration or a meeting is convened for the purpose of considering the appointment of an insolvency administrator;
- (e) a receiver, manager, receiver and manager or controller of the main undertaking, property or material assets of that Party is appointed or any step is taken for the appointment of such a receiver, manager, receiver and manager or controller or execution or distress or any other process is levied or attempted or imposed against any of the main undertaking, property or material assets of that Party;
- (f) that Party stops payment or ceases to carry on the whole or any material part of its business or threatens to do so;

- (g) an order for payment is made or judgment is entered or signed against that Party in an amount of not less than \$100,000 and is not satisfied, stayed or set aside within 5 Business Days;
- (h) that Party becomes insolvent or unable to pay its debts; or
- (i) a compromise, composition or arrangement is proposed with or becomes effective in relation to the creditors or any class of creditors of that Party or that Party proposes a reorganisation, moratorium or other administration involving its creditors or any class of its creditors; or
- (j) any action is commenced to strike that Party's name off any register of companies;

Investment means an investment for the time being forming part of or comprised in the Portfolio permitted by this Agreement and includes without limitation investments acquired by the application of the proceeds of borrowings by the Company.

Investment Strategy means the investment strategies agreed by the Company and the Manager from time to time, or in the absence of agreement the investment process outlined in Sections 2.2 – 2.7 of the Prospectus.

Licensed Market has the meaning given in section 761A of the Corporations Act.

Listed Entity means an entity admitted to, and not removed from, the official list of the ASX.

Month means for the purposes of Clause 10:

- (a) the period commencing on the Commencement Date and ending on the last day of the calendar month in which the Commencement Date occurs;
- (b) thereafter successive calendar months commencing on the first day after the end of that first Month during the continuance of this Agreement and includes, if this Agreement is terminated on a date other than the last day of a calendar month, the period commencing on the first day of the calendar month in which this Agreement is terminated and ending on the date of termination.

Portfolio means all monies, investments, additions or borrowings which may from time to time be paid to or received or held by the Company or the Manager or Custodian on behalf of the Company (whether or not pending investment) and any investments for the time being representing them, any income derived from them and any capital accretions to them regardless of how they arise.

Proposed Investment means an Investment proposed by the Manager to be made on behalf of the Company.

Prospectus means the prospectus dated 9 October 2006.

Relevant Interest has the meaning given to that term in section 608 of the Corporations Act.

Securities means:

- (a) securities as defined in section 92(1) of the Corporations Act;
- (b) marketable rights (including quoted rights); and
- (c) options to take up unissued shares or debentures.

Term means the period from the Commencement Date to the date of termination of this Agreement under Clause 11.

Value of the Portfolio means, at any date that such value is required to be ascertained, the aggregate sum of the values of each Investment calculated in accordance with the Accounting Standards, less

any liability directly or indirectly attributable to the acquisition, maintenance or disposal of any Investment or the management and administration of the Portfolio incurred or accrued on or before the date of the calculation (including but not limited to any unpaid purchase consideration, accrued legal or other expenses, brokerage, stamp duty, borrowings or other liabilities). For the avoidance of doubt, a liability incurred by Company due to the use of borrowings, either gearing or short selling, is not a liability to be deducted from the calculation of the Value of the Portfolio, that is, any Investment acquired through the use of borrowing will increase the Value of the Portfolio by the value of that Investment as determined above.

1.2. Interpretation

In this Agreement except to the extent that the context otherwise requires:

- (a) headings are for ease of reference only and do not affect the meaning of this Agreement;
- (b) the singular includes the plural and vice versa and words importing a gender include other genders;
- (c) other grammatical forms of defined words or expressions have corresponding meanings;
- (d) a reference to a clause, paragraph, schedule or annexure is a reference to a clause or paragraph of, or schedule or annexure to, this Agreement and a reference to this Agreement includes any schedules and annexures;
- (e) a reference to a document or agreement, including this Agreement, includes a reference to that document or agreement as novated, altered or replaced from time to time;
- (f) a reference to '\$' is a reference to Australian currency;
- (g) a reference to a specific time for the performance of an obligation is a reference to that time in the State, Territory or other place where that obligation is to be performed;
- (h) a reference to a party includes its executors, administrators and successors;
- (i) a reference to the Manager includes its permitted assigns;
- (j) a reference to any legislation or statutory instrument or regulation is construed in accordance with the *Acts Interpretation Act 1901* (Cth) or the equivalent State legislation, as applicable;
- (k) words and expressions defined in the Corporations Act as at the date of this Agreement have the meanings given to them in the Corporations Act at that date; and
- (l) a reference to writing includes typewriting, printing, lithography, photography and any other method of representing or reproducing words, figures or symbols in a permanent and visible form.

1.3. Period prior to Commencement Date

Until the Commencement Date, the only obligations of the Manager are those prescribed in Clauses 8.1(a), 13, 16.1 and 18. Subject to Clause 11, the remaining provisions of this Agreement have full force and effect from the Commencement Date.

1.4. Accounting Standards

- (a) In respect of any accounting practice relevant to this Agreement, the following accounting standards apply:
 - (i) accounting standards as defined in section 9 of the Corporations Act;

- (ii) the requirements of the Corporations Act for the preparation and content of accounts;
- (iii) generally accepted accounting principles and practices consistently applied in Australia, including any domestically accepted international accounting standards, except principles and practices that are inconsistent with Clauses 1.4(a)(i) or 1.4(a)(ii);
- (iv) to the extent only that Clauses 1.4(a)(i) to 1.4(a)(iii) are not applicable, the accounting standards required under applicable Australian Accounting Standards, Urgent Issues Group Interpretations and the Corporations Act; or
- (v) if no accounting practice applies under Clauses 1.4(a)(i) to 1.4(a)(iv), the accounting practice adopted by the Company.

2. Relationship Between Parties

2.1. Nature of Relationship

Nothing in this Agreement constitutes or gives rise to or may be deemed to constitute or give rise to the relationships of trustee and beneficiary, joint venture or partnership as between the Company and the Manager, nor subject to Clause 2.4, to give rise to any fiduciary relationship or obligation or other association between the Parties or by any one Party to the other Party.

2.2. No Agency

Without limiting the generality of Clause 2.1 and except as otherwise expressly provided in this Agreement, the Manager:

- (a) is not an agent of the Company; and
- (b) has no capacity to bind the Company to contracts with third parties without the express written consent and acknowledgment of the Company.

2.3. Capacity

Each Party enters into this Agreement in its own capacity and not as agent, partner or joint venturer of any person.

2.4. Fiduciary Obligations

The Manager acknowledges that it is subject to a fiduciary obligation to the Company in the performance of its functions and the observance of its duties under this Agreement.

3. Appointment of Manager

With effect on and from the Commencement Date, the Company appoints the Manager and the Manager accepts its appointment to act as manager of the Portfolio for the Term with the duties and obligations and on the terms and conditions set out in this Agreement.

4. Duties of the Manager

4.1. Duties of the Manager

- (a) Subject to and in accordance with the Applicable Regulations the Manager must manage the Portfolio and manage and supervise all Investments.
- (b) Subject to Clause 4.1(c), the Manager must also provide or procure the provision of reasonable administrative support services reasonably required by the Company to conduct its business. Without limitation, these services include:

- (i) maintenance of the corporate and statutory records of the Company;
 - (ii) liaison with the ASX with respect to compliance with the ASX Listing Rules;
 - (iii) liaison with ASIC with respect to compliance with the Corporations Act;
 - (iv) liaison with the share registrar of the Company; and
 - (v) the provision of information necessary for the maintenance of financial accounts of the Company to be completed.
- (c) The Manager is not required to provide or procure the provision of any services which involve the engagement of a third party unless the Company is responsible for the payment of any fees or charges of that third party in accordance with Clause 5.6. However, this limitation extends only to those services to be provided by a third party where the Manager itself and its executives do not have the professional expertise to provide that service or where the Manager itself and its executives are not able to do so for conflict reasons or because of contractual restrictions. Despite the above the Manager may be engaged to provide certain other services including but not limited to drafting the Company's annual report and arranging for the printing and distribution of such report on terms and at a price to be agreed to between the Parties.

4.2. Monthly Valuations

The Manager must arrange for the calculation of the Value of the Portfolio at least monthly or at such more frequent times as may be agreed between the Manager and the Company.

4.3. Provision of Information

The Manager must advise the Company in respect of the management of the Portfolio and furnish to the Company the following:

- (a) as reasonably required by the Company, details of Investments comprising the Portfolio;
- (b) other valuations and reports as may be reasonably required by the Company from time to time;
- (c) sufficient information to enable the Company to observe and perform its covenants as set out in Clause 7 and its duties and obligations under the Company's constitution; and
- (d) without limiting the generality of Clauses 4.3(a) to 4.3(c) (inclusive), sufficient information to enable the Company to comply with the Applicable Regulations (if necessary).

5. Powers of the Manager

5.1. Investment of the Portfolio

- (a) Subject to the Applicable Regulations on and from the Commencement Date the Manager must from time to time and on behalf of the Company invest money constituted in or available to the Portfolio, including money received as a consequence of disposal of Investments or any dividend or other distribution received, in all or any making and holding Investments and, subject to the Applicable Regulations, realise or dispose of Investments.
- (b) Investments that may be made by the Manager are limited to the following:
 - (i) listed Securities, being any Security quoted on ASX or another Licensed Market including, without limitation, shares, units or notes which are redeemable, preference or deferred, fully or partly paid, with or without any right, title or interest thereto or therein (including a right to subscribe for or convert to any such Security) and any Security of whatsoever nature which the Manager expects will be quoted on ASX or other Licensed Market within a 12 month period from the date of investment;

- (ii) listed Securities on any global stock market where the Security is also concurrently listed on the ASX and any Security of whatsoever nature which the Manager expects will be quoted on any global stock market where the Security is also to be concurrently listed on the ASX within a 12 month period from the date of investment;
 - (iii) warrants and options to purchase any Investment and warrants and options to sell any Investment which is a permitted Investment being an investment referred to in Clause 5.1(b)(i) or 5.1(b)(ii);
 - (iv) discount or purchase of bills or exchange, promissory notes or other negotiable instruments accepted, drawn or endorsed by any Bank, or by the Commonwealth of Australia, any State or Territory of Australia, or by any corporation of at least an investment grade credit rating granted by a recognised credit rating agency in Australia;
 - (v) debentures, unsecured notes and bonds of a corporation of at least an investment grade credit rating granted by a recognised credit rating agency in Australia; and
 - (vi) units or other interests in cash management trusts; and
 - (vii) any other financial products with which the Manager may use in the management of the Company's Portfolio in accordance with the Manager's AFSL.
- (c) The Manager may use 'gearing' within the Portfolio as permitted in the Investment Strategy. The Company will enter into such documentation as is necessary to put in place a 'gearing' facility, including, without limitation, brokerage, custodial and borrowing arrangements (including the provision of security) on such terms as is acceptable to the Manager and the Company.
- (d) The Manager may short sell Investments as permitted in the Investment Strategy. The Company will enter into such documentation as is necessary to put in place a facility which allows the Manager to enter into short sale transactions, including, without limitation, brokerage, custodial and borrowing arrangements (including the provision of security) on such terms as is acceptable to the Manager and the Company.

5.2. Discretions of the Manager

Each of the Parties acknowledges and agrees that, within the Applicable Regulations and subject to Clause 5.3, on and from the Commencement Date, the Manager has absolute and unfettered discretion to manage the Portfolio and do all things considered necessary or desirable in relation to the Portfolio, including, without limitation:

- (a) the investigation of, negotiation for, acquisition of or disposal of, every Investment and any Proposed Investment and the provision of its services to the Company;
- (b) from time to time and on behalf of the Company, to sell, realise or deal with all or any of the Investments or to vary, convert, exchange or add other Investments in lieu of those Investments;
- (c) if any of the Investments for the time being comprised in the Portfolio is at any time during the continuance of this Agreement redeemed or the capital paid on it is wholly or partly repaid (whether by way of reduction of capital or otherwise) by the company or other person or body by which that Investment was issued or created, either:
 - (i) convert (if an option is given to convert) the Investment into some other Investment or Investments in pursuance of the option; or
 - (ii) accept repayment in case of the capital paid or advanced on the Investment and any other monies payable in connection with that redemption or repayment and reinvest all or any of the monies becoming payable (whether in respect of capital, premium, surplus

or otherwise) by reason of such redemption or repayment in cash in the purchase of Investments to be added to the Portfolio pursuant to the provisions of this Agreement;

- (d) either to retain as part of the Portfolio or to retain part and sell the balance of any Security or other property received by the Company by way of bonus or in lieu of or in satisfaction (in whole or in part) of a dividend in respect of any Investments or from the amalgamation or reconstruction of any company; and
- (e) if a body corporate whose Securities are included in the Portfolio offers rights to subscribe for new Securities to the Company (as owner of the Securities), either:
 - (i) to sell the whole of those rights;
 - (ii) to sell some of such rights and use the proceeds or part of the proceeds to subscribe for the Securities covered by the remainder of those rights;
 - (iii) to raise out of the Portfolio such sum as is required to subscribe for those new Securities and apply such sum accordingly in which case the new Securities will be Investments of the Portfolio; or
 - (iv) to accept cash, shares or other Securities including unlisted Securities and Securities domiciled outside of Australia in return for a takeover offer and to hold these as long as the Managers sees fit in its absolute discretion.

5.3. Change to Investment Strategy

- (a) Notwithstanding any other provision of this Agreement, the Manager may only manage the Portfolio in accordance with the Investment Strategy.
- (b) If a Proposed Investment is not consistent with the Investment Strategy, the Manager may seek approval from the Company to:
 - (i) undertake that Proposed Investment; or
 - (ii) amend the Investment Strategy.
- (c) In seeking approval, the Manager must provide such information to the Company regarding the Proposed Investment to enable the Company to determine how the Investment deviates from the Investment Strategy and the proposed change to the Investment Strategy (if any) as the Company may reasonably request.
- (d) The Company may withhold its approval under this Clause 5.3 in its absolute discretion.

5.4. Delegation by the Manager

Subject to and in accordance with the Applicable Regulations, the Manager may, with the prior approval of the Company (such approval not to be unreasonably withheld), appoint or employ by writing or otherwise any person to be sub-contractor for the Manager to perform any or all of the duties and obligations imposed on it by this Agreement.

5.5. Specific Powers of Delegation

Without limiting Clause 5.4, in managing the Portfolio and in carrying out and performing the duties and obligations on its part contained in this Agreement (but subject always to the Applicable Regulations), the Manager may:

- (a) by power of attorney or other instrument, appoint any person to be attorney or agent of the Manager for such purposes and with such powers, authorities and discretions (not exceeding those vested in the Manager) as the Manager thinks fit with power for the attorney or agent to

sub-delegate any such powers, authorities or discretions and also to authorise the issue in the name of the Manager of documents bearing facsimile signatures of the Manager or of the attorney or agent either with or without proper manuscript signatures of its officers thereon and provided further that the Manager in any such power of attorney and the attorney or agent by the terms of any such sub-delegation may insert such provisions for the protection and convenience of those dealing with any such attorney or agent or sub-delegate as the Manager may think fit; and

- (b) appoint and engage any investment manager (which may be a related body corporate), barrister, solicitor, stockbroker, stock market consultant, accountant, contractor, qualified adviser, registrar and such other person as may be necessary, usual or desirable in the opinion of the Manager for the purpose of exercising its powers and performing its obligations. Subject to Clause 5.6 all reasonable and proper fees, charges and moneys payable to any such persons and all disbursements, expenses, duties and outgoings properly chargeable in respect of those persons must be paid by the Company or, at the option of the Manager, paid by the Manager and reimbursed by the Company,

and the Company must ratify and confirm all transactions and appointments made by the Manager in accordance with this Agreement.

5.6. Responsibility for Fees

The Manager:

- (a) must pay the fees of any investment manager engaged by the Manager in accordance with Clause 5.4 or Clause 5.5; and
- (b) will not be reimbursed by the Company under Clause 5.4 or Clause 5.5 for any fees, costs and expenses incurred by the Manager pursuant to Clause 5.4 or Clause 5.5 which are not authorised under any budget set from time to time by the Board or otherwise approved by the Board (which must not be unreasonably withheld or delayed).

5.7. Budget

The Company is not obliged to pay any money pursuant to Clause 5.4 or Clause 5.5 unless the payment is within the budget set from time to time by the Board. The Manager must provide details to the Board of fees and disbursements incurred in respect of this budget.

5.8. Approved Valuer

The Manager may appoint the auditor of the Company or the Approved Valuer to calculate the Value of the Portfolio in accordance with Clause 4.2.

5.9. Execution of Authorisations

The Company must execute all proxies, powers of attorney and other instruments as may be reasonably necessary or expedient to enable the Manager or any officer or delegate of the Manager to fulfill the duties and exercise the powers referred to in Clause 4 and this Clause 5 respectively.

6. Expenses

6.1. Company Expenses

Notwithstanding anything to the contrary contained in or implied by this Agreement other than Clause 6.2, the Company is liable for and, if required by the Manager, must pay out of the Portfolio (or if paid by the Manager reimburse the Manager out of the Portfolio) the following fees, costs and expenses when properly incurred in connection with the investment and management of the Portfolio, the acquisition, disposal or maintenance of any Investment or performance of the Manager's obligations under this Agreement:

- (a) fees payable to any Licensed Market, the ASIC or other regulatory body, the Company's share registrar and the Approved Valuer for valuations undertaken under Clause 5.8;
- (b) all costs, stamp duties, financial institutions duty, bank account debits tax and legal fees and other duties, taxes, fees, disbursements and expenses, commissions and brokerage incurred by the Company or the Manager (or both) in connection with:
 - (i) the acquisition and negotiation of any Investment or Proposed Investment;
 - (ii) any sale or proposed sale, transfer, exchange, replacement or other dealing or proposed dealing with or disposal or proposed disposal of any Investment;
 - (iii) the receipt of income or other entitlements from the Investments of the Portfolio; and
 - (iv) the engagement of a custodian to hold any Investment on behalf of the Company; and
- (c) outgoings in relation to the Portfolio such as rates, levies, duties, taxes and insurance premiums; and
- (d) all accounting and audit costs of the Company whether or not in relation to the Portfolio,

provided that:

- (e) where a particular fee, cost or expense can be considered to fall within more than one of Clauses 6.1(a) to 6.1(d) (inclusive), that fee, cost or expense (as the case may be) must only be counted once for the purposes of payment by the Company or reimbursement of the Manager in accordance with the provisions of this Agreement; and
- (f) nothing in this Clause 6 operates to oblige the Company to pay any amount contrary to Clause 5.6(b).

6.2. Manager Expenses

The Manager must bear the cost of, and is not entitled to be reimbursed by the Company in respect of its internal labour costs and legal costs in connection with the performance of its obligations under this Agreement.

7. Warranties, Undertakings and Acknowledgement by the Company

7.1. Warranties

The Company warrants and represents to the Manager that the Company has the power to enter into and perform this Agreement, subject only to those express limitations that have been advised to the Manager in writing.

7.2. Company Undertakings

The Company undertakes to the Manager that it will:

- (a) not do or permit to occur any act, matter or thing or omit to do any act, matter or thing constituting a breach or contravention by the Company of the Applicable Regulations, other than acts or omissions by or on behalf of the Manager not instigated or caused by the Company;
- (b) except as provided in this Agreement, not sell, dispose of or part with possession of any of the Investments or mortgage or charge any of the Investments;
- (c) not carry on any business in relation to the Portfolio (including, without limitation, the investment of any funds or dealing in the Portfolio or any part of it) other than pursuant to or as contemplated in this Agreement; and

- (d) without delay forward to the Manager copies of all notices, reports, circulars and other documents relating to the Investments received by it.

7.3 Acknowledgment

The Company acknowledges that neither the Manager nor any related body corporate of the Manager guarantees the repayment of capital or the performance of the Portfolio or makes any representation concerning any of these matters.

8. Warranties and Undertakings by the Manager

8.1. Manager Warranties

The Manager warrants and represents to the Company that:

- (a) it has the power to enter into and perform this Agreement, subject only to those express limitations that have been advised to the Company in writing;
- (b) as at the Commencement Date, it holds an AFSL.

8.2. Manager Undertakings

The Manager undertakes to the Company that it must:

- (a) not do or permit to occur any act, matter or thing or omit to do any act, matter or thing constituting a breach or contravention by the Manager or the Company of the Applicable Regulations, other than acts or omissions by the Company not instigated or caused by, or on behalf of, the Manager;
- (b) act consistently with the Applicable Regulations and the written guidelines issued by the Board from time to time;
- (c) keep or cause to be kept proper books of account in relation to the Portfolio and cause the accounts of the Company kept in accordance with the law to be audited in compliance with the Corporations Act;
- (d) subject to Clause 12.2, without delay, forward to the Company copies of all notices, reports, circulars and other documents relating to the Investments received by it;
- (e) on receipt, deliver or cause to be delivered all documents and papers relating to the Portfolio including, without limitation, share certificates, debenture certificates and documents of title, to the Secretary of the Company;
- (f) maintain a register of bodies corporate that it holds a Relevant Interest in from time to time during the Term and must make access available to this register to the Company and its advisers on the Company giving 2 Business Days notice to the Manager; and
- (g) not permit the Company to acquire any Relevant Interest in any body corporate so as to cause the Company to contravene section 606 of the Corporations Act.

9. Liability of the Manager and the Company

9.1. No Liability

Subject to the Applicable Regulations and the terms of this Agreement, the Manager will, in relation to all the powers, authorities and discretions vested in it, have absolute and uncontrolled discretion as to:

- (a) whether or not to exercise them; and

- (b) the manner or mode of, and time for, their exercise,

and in the absence of gross negligence, other default, fraud or dishonesty, the Manager will not be in any way whatsoever responsible for any loss, costs, damages or inconvenience that may result from the exercise or failure to exercise those powers, authorities and discretions.

9.2. No Responsibility to Check Documents

The Company will not be responsible for checking any information, documents, forms or lists supplied to it by the Manager or any employees, attorneys, agents, delegates or sub-agents of the Manager reasonably believed by the Company to be genuine whether or not in error if any such information, documents, forms or lists is reproduced by the Company.

9.3. No Responsibility for Non-realisation

Neither the Company nor the Manager (nor any of their respective officers and employees) will on any account be under any liability to the other by reason of it not having realised any specific price or reserve in respect of any Investment or property disposed of or having acquired any Proposed Investment at a particular price.

10. Remuneration of Manager

10.1. Management Fee

- (a) In return for the performance of its duties as Manager of the Company, the Manager is entitled to be paid, and the Company must pay to the Manager, (which remuneration is to be retained for the use and benefit of the Manager) a management fee payable Monthly in arrears (**Management Fee**) equivalent to 0.08333% of the Value of the Portfolio calculated on the last Business Day of each Month.
- (b) If this Agreement is terminated on a day other than the last Business Day of a Month, the Management Fee for that Month will be determined on the last Business Day of the Term adjusted pro rata for the number of Business Days in that Month.
- (c) Where the Agreement commences on a date other than the first day of a Month, the Management Fee payable in respect of the first period will be calculated on a pro-rata basis for that initial period.

10.2. Performance Fee

- (a) In return for the performance of its duties as Manager of the Portfolio, the Manager is entitled to be paid and the Company must pay to the Manager (which remuneration is to be obtained for the use and benefit of the Manager) subject to Clauses 10.2(b), 10.2(c) and 10.2(f), a fee (**Performance Fee**) of 20% of BA where, subject to Clause 10.2(d), BA for a Performance Calculation Period is calculated in accordance with the following formula:

$$BA = (FV - IV) - \frac{(IV \times (FI - II))}{II}$$

Where:

BA is the base amount to be used in calculating the Performance Fee outlined above;

FI is the level of the All Ordinaries Accumulation Index published by ASX on the last Business Day of the relevant Performance Calculation Period;

FV is the Value of the Portfolio less any liability attributable to any borrowings undertaken for gearing or short selling purposes, calculated on the last Business Day of the relevant Performance Calculation Period;

II is the All Ordinaries Accumulation Index published by ASX calculated on the last Business Day of the preceding Performance Calculation Period or, if there is no preceding Performance Calculation Period, on the Commencement Date; and

IV is the Value of the Portfolio less any liability attributable to any borrowings undertaken for gearing or short selling purposes, calculated on the last Business Day of the preceding Performance Calculation Period or, if there is no preceding Performance Calculation Period, on the Commencement Date.

- (b) If the Value of the Portfolio less any liability attributable to any borrowings undertaken for gearing or short selling purposes calculated on the last Business Day of a Performance Calculation Period is less than the Value of the Portfolio less any liability attributable to any borrowings undertaken for gearing or short selling purposes calculated on the last Business Day of the preceding Performance Calculation Period or, if there is no preceding Performance Calculation Period, on the Commencement Date, no Performance Fee is payable in respect of that Performance Calculation Period.
- (c) If the amount calculated under Clause 10.2(a) is a negative number, no Performance Fee is payable in respect of that Performance Calculation Period.
- (d) If the level of the All Ordinaries Accumulation Index as calculated on the last Business Day of a Performance Calculation Period is less than the level as calculated on the last Business Day of the preceding Performance Calculation Period or, if there is no preceding Performance Calculation Period, on the Commencement Date, BA is the amount calculated by the formula $FV - IV$.
- (e) For the purposes of Clause 10.2, **Performance Calculation Period** is:
 - (i) the period from the Commencement Date to the earlier of the date of termination and 30 June of the next calendar year;
 - (ii) thereafter and subject to Clause 10.2(e)(iii), the period from the first day after the preceding Performance Calculation Period to 30 June of the next calendar year;
 - (iii) if the Term expires on a day other than 30 June, the last Performance Calculation Period is the period from the first day after the preceding Performance Calculation Period or, if there is no preceding Performance Calculation Period, the Commencement Date, to the date this Agreement is terminated.
- (f) Where the ASX or equivalent authority ceases to publish the All Ordinaries Accumulation Index then the published index which most closely resembles it must be used for the purposes of this Clause 10.2.
- (g) In calculating the Performance Fee for the Performance Calculation Period, changes in the Value of the Portfolio as a result of the issue of Securities by the Company, capital reductions undertaken by the Company, share buy-backs undertaken by the Company and dividend distributions undertaken by the Company will be disregarded or adjusted in a manner determined by the auditor of the Company at the conclusion of that Performance Calculation Period.
- (h) The auditor of the Company must review the correct calculation of the Performance Fee prior to payment.

11. Period of Agreement and Termination

11.1. Term

Subject to Clause 1.3, the obligations of the Parties under this Agreement commence on the Commencement Date and remain in force until the earlier of:

- (a) the date 5 years after the Commencement Date; and
- (b) the date of termination in accordance with the balance of this Clause 11.

11.2. Termination by Manager

The Manager may terminate this Agreement by giving to the Company at least 6 months' written notice.

11.3. Termination by Company

- (a) If the shareholders of the Company resolve by ordinary resolution in general meeting that the Manager's appointment under this Agreement should be terminated, the Company may remove the Manager and terminate this Agreement on delivery of 3 months' prior written notice.
- (b) The Company may immediately remove the Manager and terminate this Agreement on the occurrence of any one of the following events:
 - (i) an Insolvency Event occurs with respect to the Manager; or
 - (ii) the Manager is in default or breach of its obligations under this Agreement in a material respect and such default or breach cannot be rectified; or
 - (iii) the Manager is in default or breach of its obligations under this Agreement in a material respect and fails to remedy that default or breach within 30 days after receiving notice of that default or breach.

11.4. Termination Fee Payable

If the Company terminates this Agreement under Clause 11.3(a), the Company must pay the Manager a termination fee on the date the Agreement is terminated calculated in accordance with the following formula:

$$TF = (60 - M) \times 0.08333\% \times VP$$

where:

TF is the termination fee;

VP is the Value of the Portfolio at the date the Agreement is terminated; and

M is the number of months from the Commencement Date until the date the Agreement is terminated, with a full month ending on the date that corresponds with the Commencement Date in a subsequent calendar month and with M including fractional amounts.

11.5. Termination Does Not Prejudice Rights

The termination of this Agreement will not affect or prejudice:

- (a) the continued operation of this Clause 11 and Clause 17 or any other provisions of this Agreement necessary to give effect thereto;
- (b) any right which a Party may have in respect of any breach by the other Party which occurred prior to the termination; and
- (c) the obligation of the Company to indemnify the Manager under Clause 17 of this Agreement with respect to any default, negligent act or omission of the Company occurring prior to the termination date.

11.6. Removal of Manager

The Company may remove the Manager by not less than 3 month's notice on the occurrence of any one of the following events:

- (a) after the Commencement Date, the Manager persistently fails to ensure that Investments made on behalf of the Company are consistent with the Investment Strategy applicable at the time the Investment is made;
- (b) the Manager is in default or breach of its obligations under this Agreement in a material respect, such default or breach is rectifiable and is not rectified within 30 days after the Company has notified the Manager in writing to rectify the default or breach; or
- (c) the Manager's AFSL is suspended for a period of not less than 1 month or cancelled at any time in accordance with Subdivision C, Division 4 of Part 7.6 of the Corporations Act.

11.7. Effect of Removal of Manager

- (a) If the Manager is removed under Clause 11.6:
 - (i) the Manager may appoint a replacement manager provided such appointment takes place within the 3 month notice period referred to in Clause 11.6 whereupon the Manager will assign all its rights, title and interest in and to this Agreement to the replacement manager provided the replacement manager:
 - (A) holds a valid and current AFSL;
 - (B) undertakes to the Company to comply with all the obligations imposed on the Manager under this Agreement; and
 - (C) if appointed as a result of Clause 11.6(b), rectifies the breach or default within the 30 day notice period in Clause 11.6(b).

The effect of this assignment of this Agreement is the novation of this Agreement for the benefit of the replacement manager and the Company is deemed to have consented to that assignment; and
 - (ii) the Company may terminate this Agreement if a replacement manager has not been appointed within the 3 month notice period referred to in and in accordance with the provisions of Clause 11.7(a).
- (b) If the replacement manager, having been appointed under Clause 11.7(a), is removed under Clause 11.6:
 - (i) Clause 11.7(a) does not apply to the replacement manager; and
 - (ii) the Company may terminate this Agreement at the expiry of the 3 month notice period referred to in Clause 11.7(a).

12. Voting

12.1. Voting

The Company authorises the Manager to exercise any right to vote attached to a share or unit forming part of the Portfolio.

12.2. No Entitlement to Notice of Meeting

The Manager is not required to dispatch to the Company a notice of meeting relating to any person, company or managed investment scheme in which the Portfolio is invested.

13. General

13.1. Assignment and Novation

- (a) The Manager may not assign all or any of its right, title and interest in this Agreement to a third party except with the prior consent in writing of the Company, which consent must not be unreasonably withheld or delayed.
- (b) The Company may not withhold consent if:
 - (i) the replacement manager holds an AFSL with all authorisations necessary to perform its obligations under this Agreement following assignment;
 - (ii) either the replacement manager:
 - (A) utilises the Investment Strategy; or
 - (B) engages one of Karl Siegling or Geoffrey Wilson as an authorised representative in a management capacity; and
 - (iii) the Manager is not in default or breach of its obligations under this Agreement in a material respect.
- (c) The Company may not assign all or any of its rights under this Agreement except with the prior consent in writing of the Manager, which consent must not be unreasonably withheld or delayed.

13.2. Waiver

- (a) Waiver of a breach of this Agreement or of any rights created by or arising upon default under this Agreement, or upon an event of default, must be in writing and signed by the Party granted the waiver.
- (b) A breach of this Agreement is not waived by a failure to exercise, a delay in exercising or the partial exercise of any remedy available under this Agreement or in law or equity.
- (c) Any right created by, or arising upon, default under this Agreement, or upon an event of default, is not waived by:
 - (i) a failure to exercise;
 - (ii) a delay in exercising; or
 - (iii) a partial exercise of,
 that right.

13.3. Notice

- (a) A notice required or authorised to be given or served upon a Party pursuant to this Agreement will be in the English language, in writing and may be given or served by facsimile, telex, telegram, cable, email, post or hand to that Party at its address, telex or facsimile number or such other address, facsimile number as the Party may have notified in writing to other Party or Parties.

- (b) A notice will be deemed, (in the absence of proof to the contrary), to have been given or served on the Party to whom it was sent:
- (i) in the case of hand delivery, upon delivery during Business Hours;
 - (ii) in the case of prepaid post, 2 Business Days after the date of dispatch;
 - (iii) in the case of facsimile transmission, at the time of dispatch provided that following transmission the sender receives a transmission confirmation report or if the sender's facsimile machine is not equipped to issue a transmission confirmation report the recipient confirms in writing that the notice has been received; or
 - (iv) in the case of email transmission, at the time of dispatch provided that following transmission the sender does not receive an error message indicating that the email transmission has not been completed.
- (c) A certificate, notice, instruction or other communication given or served under this Agreement will be sufficient if signed by one director or secretary of the respective Party to the Agreement giving such notice or by any other person or persons purporting to be and reasonably believed to be duly authorised by the respective Party to the Agreement giving such notice.
- (d) The provisions of this Clause are in addition to any other mode of service permitted by law.
- (e) In this Clause 'notice' includes a demand, request, consent, approval, offer and any other instrument or communication made, required or authorised to be given under or pursuant to a provision of this Agreement.
- (f) In this clause "Business Hours" means from 9:00am to 5:00pm on a Business Day.

13.4. Further Assurance

Each of the Parties will and will procure their respective officers, servants and agents to sign, execute and do all such further documents, acts, matters and things as will be necessary or desirable to give effect to the provisions of this Agreement.

13.5. Governing Law and Jurisdiction

- (a) This Agreement is governed by and is to be construed in accordance with the laws of the State of New South Wales.
- (b) Each Party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the Courts of the State of New South Wales.

13.6. Severability

Part or all of any provision of this Agreement that is illegal or unenforceable may be severed from this Agreement and, except where the severance of such a provision fundamentally alters this Agreement, the remaining provisions of this Agreement continue in force.

13.7. Entire Agreement

This Agreement contains the entire understanding of the Parties as to its subject matter and there is no other understanding, agreement, warranty or representation whether expressed or implied in any way extending, defining or otherwise relating to these provisions or binding on the Parties with respect to any of the matters to which this Agreement relates.

13.8. Amendment

This Agreement may only be altered:

- (a) in writing executed by all Parties; and
- (b) while the Company is a Listed Entity, after complying with all requirements of the ASX Listing Rules and other requirements imposed by ASX from time to time in accordance with the ASX Listing Rules.

13.9. Counterparts

This Agreement may be executed in any number of counterparts each of which, when so executed, is deemed to be an original and those counterparts will constitute one and the same instrument.

14. Force Majeure

14.1. Force Majeure

- (a) The obligations of a Party under this Agreement will be suspended to the extent that it is wholly or partially precluded from complying with its obligations under this agreement by Force Majeure.
- (b) This Clause 14.1 will not apply to any obligation to pay money.
- (c) If after a period of 6 months the Force Majeure persists the Party affected by the Force Majeure will have the right in its sole discretion to terminate this Agreement on giving 30 days notice of its intention to do so.

15. Non-Exclusivity

15.1. Non-Exclusivity

Provided that the Manager does not prejudice or otherwise derogate its responsibilities specified in this Agreement, the Manager may from time to time perform similar investment and management services for other persons.

15.2. Acknowledgment Regarding Other Companies

The Company acknowledges that:

- (a) the Manager has no obligation to purchase or sell, or recommend for purchase or sale, for the account of the Company, any investment which the Manager purchases or sells for its own account or for the account of any other company; and
- (b) the Manager may give advice and take action in the performance of its duties for other companies which differ from advice given and action taken in relation to the Portfolio.

16. Confidentiality

16.1. Confidentiality

Each Party undertakes to the other that it and any of its attorneys, agents, employees and contractors will, during the continuance of this Agreement and also after its termination faithfully and honestly keep and cause to be kept confidential and not reveal or make known any of the matters, affairs and concerns of the other Party and will not reveal or make known any of the matters, affairs or concerns of the other Party which may come to its knowledge or its attorneys, agents, employees and contractors as contemplated by this Agreement unless required by law or when authorised to do so by the other Party.

17. Indemnity

17.1. Company Indemnity

The Company must indemnify the Manager against any losses or liabilities reasonably incurred by the Manager arising out of, or in connection with, and any costs, charges and expenses (including legal expenses on a solicitor/own client basis) incurred in connection with the Manager or any of its officers, employees or agents acting under this Agreement or on account of any bona fide investment decision made by the Manager or its officers or agents except insofar as any loss, liability, costs, charge or expense is caused by the negligence, default, fraud or dishonesty of the Manager or its officers or employees. This obligation continues after the termination of this Agreement.

17.2. Manager Indemnity

The Manager must indemnify the Company against any losses or liabilities reasonably incurred by the Company arising out of, or in connection with, and any costs, charges and expenses incurred in connection with, any negligence, default, fraud or dishonesty of the Manager or its officers or supervised agents. This obligation continues after the termination of this Agreement.

17.3. Conduct of Proceedings

If any person commences any legal or statutory proceeding against the Manager or to which the Manager is joined as a party arising out of any alleged default, negligent act or omission of the Manager, the Company or its employees, agents or contractors in the performance of obligations under this Agreement, the Manager may by written notice to the Company require the Company to be responsible for the conduct and costs of any defence or other resolution of such proceedings provided that the Manager will provide the Company with all assistance reasonably requested for the purpose of such defence.

17.4. Indemnity not affected by delegation

Notwithstanding any delegation or appointment pursuant to Clause 5.4 or Clause 5.5 the Company will remain liable for and indemnify the Manager against any losses, expenses or liabilities arising from acts or omissions of any officer, employee, attorney, agent, sub-delegate or sub-agent to whom any delegation is made or who is appointed under Clause 5.4 or Clause 5.5 of this Agreement except in so far as any loss or liability is caused by an act or omission in breach of this Agreement, negligence, other default, fraud or dishonesty of the Manager or its officers, employees or agents where the Manager, its officers, employees or agents know or ought reasonably to have known that the action would constitute a breach of this Agreement, negligence, other default, fraud or dishonesty and know or ought reasonably to have known that the loss or liability was likely to arise.

18. Disputes

18.1. Notice of Dispute

If any dispute or difference or disputed question concerning this Agreement or the construction, meaning, operation or effect of any of the terms of this Agreement or as to the rights, duties or liabilities of the Manager or the Company under this Agreement arises between the Manager and the Company, then the Manager or the Company may give to the other notice in writing of such dispute or difference.

18.2. Arbitration

- (a) Upon the expiration of 7 days after giving the notice referred to in Clause 18.1, unless it will have been otherwise settled between them, the matter in question may be submitted by either the Manager or the Company to such person as the Parties agree in writing or failing agreement within 7 days to the president for the time being of the Law Society of New South Wales or if he is unwilling to act, to such counsel as will be willing to act as he may select or otherwise may be appointed in accordance with and subject to the *Commercial Arbitration Act 2010* (NSW).

- (b) The award of the arbitrator will be final and binding on the Parties.
- (c) Upon every or any such reference, the costs of or incidental to the reference and award respectively will be in the discretion of the arbitrator who may determine the amount thereof, or direct the same to be taxed as between solicitor and client, or as between party and party, and will direct by whom and to whom, and in what manner the same should be borne and paid.

19. GST

19.1. GST

- (a) Unless expressly included, the amounts payable for any supply under or in connection with this Agreement does not include GST.
- (b) To the extent that any supply made under or in connection with this Agreement is a taxable supply, the supplier may increase the amounts payable for that supply by an amount not exceeding the amounts payable multiplied by the rate at which GST is imposed in respect of the supply.
- (c) If either Party is entitled under this Agreement to be reimbursed or indemnified by the other Party for a cost or expense incurred in connection with this Agreement, the reimbursement or indemnity payment must not include any GST component of the cost or expense to the extent that the cost or expense is:
 - (i) a creditable acquisition incurred by the Party being reimbursed or indemnified or by its representative member; and
 - (ii) for a creditable purpose.
- (d) Words used in this Clause 19.1 which have a defined meaning in the GST Law have the same meaning as in the GST Law.
- (e) A Party need not make a payment for a taxable supply made under or in connection with this Agreement in respect of the tax or supply until the supplier has given the recipient a tax invoice for the supply to which the payment relates.
- (f) Each Party must do all things necessary or reasonably desirable to ensure that the other Party may claim input tax credits or refunds in respect of payments or set-offs pursuant to this Agreement.


Executed as an Agreement.

SIGNED by)
Cadence Capital Limited)
 (ACN 112 870 096))
 in accordance with section 127 of the)
 Corporations Act 2001 (Cth):)


 Director/Secretary

JAMES CHIRNSIDE
 Name (please print)

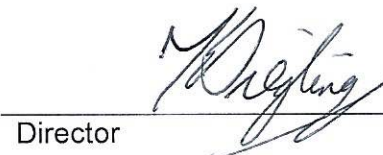
SIGNED by)
Cadence Asset Management Pty)
Limited)
 (ACN 106 551 062))
 in accordance with section 127 of the)
 Corporations Act 2001 (Cth):)


 Director/Secretary

WAYNE DAVIES
 Name (please print)


 Director

JENELE WEBSTER
 Name (please print)


 Director

KARL SIEGLING
 Name (please print)

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