



ASX Release
21 December 2018

Century Shareholders to Vote on Scheme of Arrangement for Proposed Acquisition by WAM Leaders Limited

Century Australia Investments Limited (ASX: CYA) (**Century**) announces that the Federal Court of Australia (**Court**) has today made orders approving the despatch of the scheme booklet (**Scheme Booklet**) in relation to the proposed acquisition of all of the shares in Century by WAM Leaders Limited (**WAM Leaders**) by way of scheme of arrangement (**Scheme**) and has ordered that a meeting of Century shareholders be convened to consider and vote on the Scheme (**Scheme Meeting**).

The Scheme Meeting will be held at 10:00am (Sydney time) on Tuesday, 12 February 2019 at the offices of WAM Leaders Limited at Level 26, Governor Phillip Tower, 1 Farrer Place, Sydney. The time for determining eligibility to vote at the Scheme Meeting is 7:00pm (Sydney time) on Sunday, 10 February 2019. Only those Century shareholders entered on the Century share registry at that time will be entitled to attend and vote at the Scheme Meeting, either in person, by proxy or attorney.

All Century shareholders are encouraged to vote either by attending the Scheme Meeting in person, or by lodging a proxy form with the Century share registry by 10:00am (Sydney time) on Sunday, 10 February 2019, being not later than 48 hours before the commencement of the Scheme Meeting. Any proxy forms received after that time will not be valid for the scheduled Scheme Meeting. Details of how to lodge the proxy form are included in the Scheme Booklet.

The Scheme Booklet has today been registered by the Australian Securities and Investments Commission.

A copy of the Scheme Booklet, including the Independent Expert's Report, a notice of Scheme Meeting and a copy of the proxy form for the Scheme Meeting, is attached to this announcement and will be sent to Century shareholders on or around Friday, 4 January 2019.

The Independent Expert appointed by the Board of Directors of Century in relation to the Scheme, BDO Corporate Finance (East Coast) Pty Ltd (**BDO**) has concluded that the Scheme is fair and reasonable and therefore in the best interests of Century shareholders. The Independent Expert's conclusions should be read in the context of the full Independent Expert's Report and the Scheme Booklet attached to this announcement.

The Independent Directors continue to unanimously recommend that shareholders vote in favour of the Scheme. Each Century Director intends to vote all Century shares held or controlled by them in favour of the Scheme, subject to the same qualifications.



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Telephone 61 2 8280 7100 Fax 61 2 9221 1194 www.centuryaustralia.com.au

Indicative Timetable

The key events and expected timing in relation to the approval and implementation of the Scheme are set out in the table below.

Event	Indicative date
Scheme Booklet dispatched to Century shareholders	On or around Friday, 4 January 2019
Latest time and date for lodgement of completed proxy form for the Scheme Meeting	10:00am on Sunday, 10 February 2019
Time and date for determining eligibility to vote at the Scheme Meeting	7:00pm on Sunday, 10 February 2019
Scheme Meeting to vote on the Scheme	10:00am on Tuesday, 12 February 2019
Second Court Date for approval of the Scheme	Monday, 18 February 2019
Effective Date of the Scheme	Tuesday, 19 February 2019
Scheme Record Date	7:00pm on Tuesday, 26 February 2019
Implementation Date	Tuesday, 5 March 2019

All dates are indicative only and are subject to the Court approval process and the satisfaction or, where applicable, waiver of conditions precedent under the Scheme. Any changes to the above timetable will be announced by Century to ASX.

Shareholder Information

If Century shareholders have any questions regarding the Scheme or this Scheme Booklet you should contact the Century Shareholder Information Line on 1300 494 861 (within Australia) or +61 1300 494 861 (outside Australia) on Monday to Friday between 8:30am and 7:30pm (Sydney time) or consult your legal, financial, taxation or other professional adviser.

– ENDS –

For further enquiries contact:

Robert Turner
Century Australia
Chairman
(02) 8280 7100

Naomi Dolmatoff
Company Matters Pty Ltd
Company Secretary
(02) 8280 7355

Century Australia Investments Limited

ACN 107 772 761

Scheme Booklet

Scheme with WAM Leaders Limited

The Independent Directors unanimously recommend that you

VOTE IN FAVOUR

of the Scheme, in the absence of a superior proposal.

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. YOU SHOULD READ THE DOCUMENT IN ITS ENTIRETY BEFORE YOU DECIDE WHETHER TO VOTE IN FAVOUR OF THE SCHEME. IF YOU ARE IN DOUBT AS TO WHAT YOU SHOULD DO, YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL OR OTHER PROFESSIONAL ADVISER.

If, after reading this Scheme Booklet, you have any questions about the Scheme, please call the Shareholder Information Line on 1300 494 861 (in Australia) or +61 1300 494 861 (outside Australia) Monday to Friday between 8.30am and 7.30pm (Sydney Time). If you have questions regarding the number of Century Shares you hold or how to vote, please contact the Registry on 1300 494 861 (in Australia) or +61 1300 494 861 (outside Australia) Monday to Friday between 8.30am and 7.30pm (Sydney Time).

A Notice of Scheme Meeting is included as Annexure D to this Scheme Booklet, and a Proxy Form for the Scheme Meeting accompanies this Scheme Booklet. The Scheme Meeting will be held at 10:00am (Sydney time) on Tuesday, 12 February 2019 at the offices of WAM Leaders Limited at Level 26, Governor Phillip Tower, 1 Farrer Place, Sydney NSW 2000.

If you have recently sold all of your Century Shares, please disregard this document.

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An Overview of the Scheme

The Scheme Meeting will be held at 10:00am on Tuesday, 12 February 2019 at the offices of WAM Leaders Limited at Level 26, Governor Phillip Tower, 1 Farrer Place, Sydney NSW 2000.

The Scheme

1. Century Shareholders will transfer their Century Shares to WAM Leaders.
2. As consideration for the Century Shares, Century Shareholders will receive the Scheme Consideration.
3. The Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of Century Shareholders, in the absence of a superior proposal.
4. The Independent Directors believe that, for the reasons set out in this Scheme Booklet, you should vote in favour of the Scheme Resolution. In the absence of a superior proposal, each Independent Director who holds or controls Century Shares intends to vote (or procure the voting) of all their Century Shares in favour of the Scheme Resolution.

Scheme Consideration

5. The exchange ratio to determine the number of New WAM Leaders Shares to be issued for each Century Share will be calculated on the Calculation Date, being Thursday, 31 January 2019. The formula to determine the exchange ratio is outlined in section 1.5 and the Scheme Consideration (being exchange ratio for New WAM Leaders Shares) will be announced on ASX on or before Friday, 8 February 2019.
6. Based on the reported monthly net asset backing per share for each company as at 31 October 2018, and taking into account estimated transaction costs, each eligible Century Shareholder would be issued approximately 0.855 New WAM Leaders Shares for every 1 Century Share they hold.

Reasons to vote in favour of the Scheme

7. The Enlarged Group will be a listed investment company with approximately \$885 million of net assets and more than 18,000 shareholders.
8. It is expected that Century Shareholders will have access to greater on market liquidity in the trading of their New WAM Leaders Shares. In addition, the Independent Directors believe that the shares of larger listed investment companies tend to trade at prices closer to the net tangible asset backing than the shares of smaller listed investment companies.
9. Scheme Participants (other than Ineligible Foreign Shareholders) are likely to benefit from a reduced management expense ratio of at least 0.30% per annum through owning shares in the Enlarged Group than they currently do as Century Shareholders as a result of:
 - (a) WAM Leaders' current management expense ratio (before performance fees, brokerage, interest expenses and dividends on borrowed stock) being lower than the ratio currently achieved by Century;
 - (b) potential cost savings resulting from the removal of duplicated expenses and functions upon the cessation of Century operating as a separately listed entity; and
 - (c) the increased asset base of the Enlarged Group.
10. The value of the Scheme Consideration is expected to deliver a premium to Century's historic share price.
11. Scheme Participants will gain access to an established history of outperformance and the profit reserves and franking account balance of WAM Leaders.

12. Mr Ross Finley will be invited to join the board of the Enlarged Group on completion of the Scheme to ensure continuity for Century Shareholders.

Reasons you may want to vote against the Scheme

13. You may disagree with the Independent Directors' recommendation and the Independent Expert's conclusion and believe that the Scheme is not in your best interests.
14. Success and ability of the Enlarged Group to meet its investment objectives are dependent on the performance of the investment portfolio. No guarantee can be given in respect of the future performance of the Enlarged Group or the Enlarged Group's investment portfolio.
15. Due to the expanded asset base of the Enlarged Group, Century's deferred tax assets of approximately 7.8 cents per Share would be an immaterial asset of the Enlarged Group. It is currently uncertain if the deferred tax assets would be available for utilisation by the Enlarged Group in the future. As a result, the deferred tax assets of Century have not been included as part of the Scheme Consideration for Century Shareholders.
16. The Scheme is subject to a number of Scheme Conditions which are summarised in section 10.8 and there is the possibility that one or more of the Scheme Conditions will not be met or waived and the Scheme will not proceed as a result. At the date of this Scheme Booklet, Century is not aware of any circumstances which would cause the Scheme Conditions not to be satisfied.
17. There are a number of risk factors that relate to investing in a listed investment company and a range of these are outlined in section 4. These include:
 - (a) it is possible that the integration of Century and WAM Leaders will be more difficult or take more time than currently anticipated, and could delay the realisation of synergy benefits expected to result from the Scheme;
 - (b) the Scheme NTA of Century and WAM Leaders may fluctuate up and until the Calculation Date which may affect the number of New WAM Leaders Shares to which Scheme Participants will be entitled as Scheme Consideration; and
 - (c) the market price of WAM Leaders Shares may fluctuate post implementation due to the issue of New WAM Leaders Shares.
18. The tax consequences of the Scheme may not suit your financial position.

The Independent Expert has concluded that the Scheme is fair and reasonable and is in the best interests of Century Shareholders, in the absence of a superior proposal.

The Independent Directors believe the Scheme is in the best interests of Century Shareholders and intend to vote (or procure the voting of) all their own Century Shares in favour of the Scheme Resolution, in the absence of a superior proposal.

CENTURY AUSTRALIA

INVESTMENTS LIMITED



Dear Century Shareholders,

On behalf of Century, I am pleased to present you with the opportunity to consider and vote on the Scheme. On 13 November 2018, we announced a Scheme with WAM Leaders. The Scheme is anticipated to deliver you, as a Century Shareholder, the following advantages and reasons to vote in favour of the Scheme, including:

- ✓ access to a larger capital and shareholder base with the enhanced scale of the Enlarged Group;
- ✓ a share price that is expected to trade closer to the Enlarged Group's net tangible assets as a result of the increased on market liquidity for the Enlarged Group;
- ✓ a reduced management expense ratio of at least 0.30% per annum as a result of the removal of duplicated expenses between the two companies and a larger pool of assets to spread the expenses across;
- ✓ the value of the Scheme Consideration is expected to deliver a premium to Century's historic share price; and
- ✓ access to an established history of outperformance and the profit reserves and franking account balance of WAM Leaders.

The management of the portfolio of Century will not substantially change as:

- the Enlarged Group will be managed by the same investment manager that currently manages Century (being MAM Pty Limited, a member of the Wilson Asset Management Group);
- the investment mandates of Century and WAM Leaders are substantially similar;
- the management fees payable to the Manager by each of Century and WAM Leaders are the same; and
- the performance fees for the Enlarged Group are more favourable as the WAM Leaders performance fee is payable annually rather than semi-annually under the Century performance fee structure.

Mr Ross Finley will be invited to join the board of the Enlarged Group to ensure continuity for Century Shareholders. WAM Leaders has also provided an undertaking to ensure that WAM Leaders will not declare a dividend with a record date that is prior to completion of the Scheme. This ensures that all Century Shareholders who receive New WAM Leaders Shares under the Scheme are registered holders in the Enlarged Group and will benefit from any future fully franked dividends declared by WAM Leaders (where applicable).

The disadvantages and reasons you may want to vote against the Scheme include:

- ✗ no guarantee can be given in respect of the future performance of the Enlarged Group or the Enlarged Group's investment portfolio;
- ✗ due to the expanded asset base of the Enlarged Group, Century's deferred tax assets of approximately 7.8 cents per share would be an immaterial asset of the Enlarged Group. It is currently uncertain if the deferred tax assets would be available for utilisation by the Enlarged Group in the future. As a result, the deferred tax assets of Century have not been included as part of the Scheme Consideration for Century Shareholders;
- ✗ the integration of Century and WAM Leaders may be more difficult or take more time than currently anticipated and there is a risk that expected synergies may not be realised within the anticipated timeframe or at all or to their full extent;

- ✗ the Scheme NTA of Century and WAM Leaders may fluctuate up to and until the Calculation Date which may affect the number of New WAM Leaders Shares to which you will be entitled as Scheme Consideration;
- ✗ the market price of WAM Leaders Shares may fluctuate after implementation due to the issue of New WAM Leaders Shares; and
- ✗ the tax consequences of the Scheme may not suit your financial position.

The Independent Expert has concluded that the Scheme is fair and reasonable and that the Scheme is in the best interests of Century Shareholders, in the absence of a superior proposal.

The Independent Expert's Report is included in Annexure A, and I encourage you to read it before voting on the Scheme. The Independent Directors believe that, for the reasons set out in this Scheme Booklet, you should vote in favour of the Scheme at the Scheme Meeting to be held at 10:00am on Tuesday, 12 February 2019. Each Independent Director who holds or controls Century Shares intends to vote in favour of the Scheme, in the absence of a superior proposal.

Conditions to the Scheme

The Scheme is subject to a number of conditions including Court and Century Shareholder approval. The Scheme Conditions are summarised in section 10.8 and set out in full in clause 3.1 of the Scheme Implementation Agreement set out in Annexure B.

What Century Shareholders can expect to receive if the Scheme proceeds?

If the Scheme is implemented, Century Shareholders will receive New WAM Leaders Shares. The number of New WAM Leaders Shares to be issued to each shareholder will be calculated on the Calculation Date by reference to the relative pre-tax net tangible asset backing per share of Century and WAM Leaders, determined in accordance with the ASX Listing Rules and the Australian Accounting Standards, after excluding all current and deferred tax assets and liabilities and less any transaction costs associated with implementing the Scheme.

For illustrative purposes, based on the reported monthly net asset backing per share for each company as at 31 October 2018, and taking into account estimated transaction costs, each eligible Century Shareholder would be issued approximately 0.855 New WAM Leaders Shares for every 1 Century Share they hold.

NTA Calculation Date and Scheme Consideration

The Calculation Date will be 5:00pm on Thursday, 31 January 2019. The Scheme Consideration (being exchange ratio for New WAM Leaders Shares) will be announced to ASX on or before Friday, 8 February 2019.

Further information

Important details of the Scheme, and the steps associated with its implementation, are set out in this Scheme Booklet, which you are urged to read carefully. If you have any questions, please call the Shareholder Information Line on 1300 494 861 (in Australia) or +61 1300 494 861 (outside Australia) on Monday to Friday between 8.30am and 7.30pm (Sydney Time). Alternatively, contact your financial, legal, taxation or other professional adviser.

Timetable

The Scheme Meeting will be held at 10:00am (Sydney time) on Tuesday, 12 February 2019 at the offices of WAM Leaders at Level 26, Governor Phillip Tower, 1 Farrer Place, Sydney NSW 2000. I encourage you to read the Scheme Booklet carefully and to submit your votes for the Scheme Meeting.

Yours sincerely,



Robert Turner

Chairman, Century Australia Investments Limited



W | A | M *Leaders*

Level 26, Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000
Australia

Dear Century Shareholders,

We are pleased to have worked with your Independent Directors to deliver this Scheme Booklet that we hope will result in the merger of Century Australia Investments Limited and WAM Leaders Limited.

The WAM Leaders and Century Australia Boards of Directors believe the Scheme will result in a superior merged entity that will deliver the significant benefits to shareholders that Chairman Rob Turner has detailed in his letter.

We look forward to finalising the integration of Century Australia with WAM Leaders, which commenced with Wilson Asset Management's appointment as Century Australia's investment manager on 18 April 2017 following a shareholder vote.

I encourage you to read the Scheme Booklet carefully and vote for the merger of Century Australia and WAM Leaders. If you have any questions, please call the Shareholder Information Line on 1300 494 861 (in Australia) or +61 1300 494 861 (outside Australia) on Monday to Friday between 8.30am and 7.30pm (Sydney Time). Alternatively, contact your financial, legal, taxation or other professional adviser.

Yours faithfully,

A handwritten signature in dark ink, appearing to read 'Lindsay Mann', with a long horizontal flourish extending to the right.

Lindsay Mann
Independent Director
WAM Leaders Limited

Important notices

Reading this Scheme Booklet

This Scheme Booklet is important. You should carefully read this Scheme Booklet in its entirety before making a decision as to how to vote on the Scheme Resolution to be considered at the Scheme Meeting. If you have any questions or require further information, please contact the shareholder information line on 1300 494 861 (in Australia) or +61 1300 494 861 (outside Australia) on Monday to Friday between 8.30am and 7.30pm (Sydney Time). If you are in any doubt about anything in this Scheme Booklet, please contact your legal, financial or other professional adviser.

Capitalised terms used in this Scheme Booklet are defined in the Glossary in section 12. The Glossary also sets out some rules of interpretation that apply to this Scheme Booklet.

Purpose of this Scheme Booklet

This Scheme Booklet sets out the effects of the Scheme, certain information required by law and all other information known to the Independent Directors which is material to your decision to vote in favour of, or against, the Scheme Resolution to effect the Scheme (other than information previously disclosed to Century Shareholders) and includes the Explanatory Statement, as required by Part 5.1 of the Corporations Act, in relation to the Scheme.

Responsibility for information

- (a) Except as provided in paragraphs (b) to (d) below, the information in this Scheme Booklet has been provided by Century and is the responsibility of Century. WAM Leaders and its respective directors, officers, employees and advisers do not assume any responsibility for the accuracy or completeness of any such Century Information.
- (b) WAM Leaders has provided and is responsible for the WAM Leaders Information. Century and its directors, officers, employees and advisers do not assume any responsibility for the accuracy or completeness of the WAM Leaders Information.
- (c) Pitcher Partners has provided and is responsible for the information contained in section 9 of this Scheme Booklet. Neither Century nor WAM Leaders, nor their respective directors, officers, employees and advisers, assumes any responsibility for the accuracy or completeness of the information contained in section 9 of this Scheme Booklet. Pitcher Partners does not assume any responsibility for the accuracy or completeness of the information contained in this Scheme Booklet other than that contained in section 9 of this Scheme Booklet.
- (d) The Independent Expert, BDO Corporate Finance (East Coast) Pty Ltd, has provided and is responsible for the information contained in Annexure A to this Scheme Booklet. Century and its directors, officers, employees and advisers do not assume any responsibility for the accuracy or completeness of the information contained in Annexure A to this Scheme Booklet except in relation to information given by it to the Independent Expert. WAM Leaders, its directors, officers, employees and advisers do not assume any responsibility for the accuracy or completeness of the information contained in Annexure A to this Scheme Booklet except in

relation to information given by it to the Independent Expert. The Independent Expert does not assume any responsibility for the accuracy or completeness of the information contained in this Scheme Booklet other than that contained in Annexure A.

- (e) The Century Registry, Link Market Services Limited, has had no involvement in the preparation of any part of this Scheme Booklet other than being named as the Registry. The Registry has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of this Scheme Booklet.

ASIC

A copy of this Scheme Booklet (including the Independent Expert's Report) has been lodged with ASIC for the purposes of section 411(2)(b) of the Corporations Act and was registered by ASIC pursuant to section 412(6) of the Corporations Act. ASIC has been requested to provide a statement, in accordance with section 411(17)(b) of the Corporations Act, that ASIC has no objection to the Scheme. If ASIC provides the no objection statement, the statement will be produced to the Court at the time of the Second Court Date. Neither ASIC nor any of its officers takes any responsibility for the contents of this Scheme Booklet.

ASX

WAM Leaders is listed on ASX and an application will be made for official quotation on ASX of all New WAM Leaders Shares to be issued as Scheme Consideration. Century Shares will continue to be quoted on ASX if the Scheme does not become effective.

A copy of this Scheme Booklet has been lodged with ASX. Neither ASX nor any of its officers takes any responsibility for the contents of this Scheme Booklet.

Important notice associated with Court order under subsection 411(1) of Corporations Act

A copy of this Scheme Booklet has been submitted to the Court to obtain an order of the Court approving the convening of the Scheme Meeting.

The fact that under subsection 411(1) of the Corporations Act, the Court has ordered that a meeting be convened and has approved the Explanatory Statement required to accompany the notice of the meeting does not mean that the Court:

- (a) has formed any view as to the merits of the proposed scheme or as to how you should vote (on this matter, you must reach your own decision); or
- (b) has prepared, or is responsible for the content of, the Explanatory Statement.

Notice regarding Second Court Hearing and if a Century Shareholder wishes to oppose the Scheme

The date of the Second Court Hearing to approve the Scheme is Monday, 18 February 2019. The hearing will be at 9:30am (Sydney Time) at the Federal Court of Australia Law Courts Building, 184 Phillip Street, Sydney NSW 2000.

A Century Shareholder has the right to appear and be heard at the Second Court Hearing and may oppose the

approval of the Scheme at the Second Court Hearing.

If you wish to oppose in this manner, you must file and serve on Century a notice of appearance, in the prescribed form, together with any affidavit on which you wish to rely at the hearing. The notice of appearance and affidavit must be served on Century at its address for service at least one day before Friday, 8 February 2019.

The address for service for Century is:

Attention: Naomi Dolmatoff
Level 12, 680 George Street
Sydney NSW 2000
Email: Naomi.Dolmatoff@company matters.com.au

Investment decisions

This Scheme Booklet does not take into account your individual investment objectives, financial situation or needs. The information in this Scheme Booklet should not be relied on as the sole basis for any investment decision. You should seek independent legal, financial and other professional advice before making any investment decision.

Forward looking statements

Certain statements in this Scheme Booklet are about the future. You should be aware that there are a number of risks (both known and unknown), uncertainties, assumptions and other important factors that could cause the actual conduct, results or performance of Century or WAM Leaders, following implementation of the Scheme, to be materially different from the future conduct, results or performance expressed or implied by such statements or that could cause the future conduct to be materially different from historical conduct. Such risks, uncertainties, assumptions and other important factors include, among other things, the risks described in section 4. Changes to future matters are both normal and to be expected.

None of Century, WAM Leaders or their respective directors, officers and advisers, nor any other person gives any assurance that the occurrence of the events expressed or implied in any forward-looking statements in this Scheme Booklet will actually occur.

The forward-looking statements in this Scheme Booklet reflect views held only as of the date of this Scheme Booklet. Subject to the Corporations Act and any other applicable laws or regulations, Century will not update these statements other than with respect to information that they become aware of prior to the Scheme Meeting which is material to the making of a decision regarding whether or not to vote in favour of the Scheme Resolution.

Status of this Scheme Booklet

This Scheme Booklet is not a prospectus lodged under Chapter 6D of the Corporations Act. Section 708(17) of the Corporations Act provides that Chapter 6D of the Corporations Act does not have effect in relation to any offer of securities if it is made under a compromise or arrangement under Part 5.1 of the Corporations Act, approved at a meeting held as a result of an order made by the Court in accordance with section 411(1) or (1A) of the Corporations Act.

Privacy and personal information

Century is required to collect personal information to implement the Scheme. The personal information may include your name, contact details and details of your holding, together with contact details of individuals appointed as proxies, representatives of bodies corporate or attorneys at the Scheme Meeting. The collection of some of this information is required or authorised by the Corporations Act.

If you are an individual, you have certain rights to access the personal information collected about you. You may contact the Registry if you wish to exercise those rights.

The information may be disclosed to Century and its Related Bodies Corporate and advisers, print and mail service providers, share registries, securities brokers and any other service provider to the extent necessary to effect the Scheme.

If the information outlined above is not collected, Century may be hindered in, or prevented from, conducting the Scheme Meeting or implementing the Scheme effectively, or at all.

If you appoint an individual as your proxy, corporate representative or attorney to vote at the Scheme Meeting you should inform that individual of the matters outlined above.

Entitlement to inspect Share Register

It is noted that all persons are entitled, under section 173 of the Corporations Act, to inspect and obtain a copy of the Share Register. This register contains personal information about you.

Notice to Ineligible Foreign Shareholders

This Scheme Booklet has been prepared in compliance with the disclosure requirements of Australia which may be different to those in other jurisdictions. This Scheme Booklet and the Scheme does not in any way constitute an offer of securities or a solicitation of an offer to purchase securities in any place in which, or to any person to whom, it would not be lawful to make such an offer or solicitation. Century Shareholders in jurisdictions outside Australia and its external territories should refer to section 2.10 of this Scheme Booklet.

Effect of rounding

A number of figures, amounts, percentages, estimates, calculations of value and fractions in this Scheme Booklet are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in the Scheme Booklet.

Explanatory statement

This Scheme Booklet constitutes an Explanatory Statement for the purposes of section 412 of the Corporations Act. This Scheme Booklet explains the effect of the Scheme between Century and Century Shareholders to be considered at the Scheme Meeting and provides all information that is prescribed or otherwise material to the decision of Century Shareholders whether or not to approve the Scheme.

Date of this Scheme Booklet

This Scheme Booklet is dated 21 December 2018.

Important dates

Event	Indicative date
Calculation Date	5:00pm on Thursday, 31 January 2019
Anticipated announcement of the Scheme Consideration (being exchange ratio for New WAM Leaders Shares)	On or before Friday, 8 February 2019
Latest time and date for lodgement of completed proxy form for the Scheme Meeting	10:00am on Sunday, 10 February 2019
Time and date for determining eligibility to vote at the Scheme Meeting	7:00pm on Sunday, 10 February 2019
Scheme Meeting	10:00am on Tuesday, 12 February 2019
Second Court Date	Monday, 18 February 2019
Effective Date	Tuesday, 19 February 2019
Trading in Century Shares on ASX is suspended	Tuesday, 19 February 2019
Record Date	7:00pm on Tuesday, 26 February 2019
Implementation Date	Tuesday, 5 March 2019
Despatch of transaction confirmation statements for New WAM Leaders Shares	Wednesday, 6 March 2019
Trading of New WAM Leaders Shares commences on the ASX on a normal settlement basis	Wednesday, 6 March 2019
For Ineligible Foreign Shareholders, the Sale Agent must sell New WAM Leaders Shares issued to the Sale Agent on behalf of the Ineligible Foreign Shareholder	By Tuesday, 2 April 2019

Questions & Answers

This section answers some basic questions that you may have about the Scheme. The information is a summary only and should only be read in conjunction with the entire Scheme Booklet. You should read the entire Scheme Booklet before deciding how to vote on the Scheme Resolution.

Question	Answer
Questions about the Scheme	
What is the Scheme?	<p>On 13 November 2018, Century and WAM Leaders announced a proposal to merge via scheme of arrangement.</p> <p>The newly Enlarged Group will create a single listed investment company with approximately \$885 million of net assets and will have more than 18,000 shareholders.</p> <p>For further information see section 1.1.</p>
Why is the Scheme being proposed?	<p>The Independent Directors of Century have been considering alternatives to address the size of Century, Century's operating costs, the historical discount of Century's Share price to net tangible asset backing per Share and on market liquidity.</p> <p>For further information see section 1.2.</p>
What will Century Shareholders receive if the Scheme is implemented?	<p>If the Scheme is implemented, Century Shareholders will exchange their Century Shares for New WAM Leaders Shares. The number of New WAM Leaders Shares to be issued to each Century Shareholder will be calculated by reference to the NTA Formula on the Calculation Date, being 5:00pm on Thursday, 31 January 2019. The Scheme Consideration (being the exchange ratio for New WAM Leaders Shares) will be announced to ASX on or before Friday, 8 February 2019.</p> <p>For illustrative purposes only, based on the reported monthly net asset backing per share for each company as at 31 October 2018, and taking into account estimated transaction costs, each eligible Century Shareholder would be issued approximately 0.855 New WAM Leaders Shares for every 1 Century Share they hold.</p> <p>For further information see sections 1.3 to 1.6.</p> <p>Any New WAM Leaders Shares proposed to be issued to Ineligible Foreign Shareholders will be dealt with by the Sale Agent in accordance with the process set out in section 2.10.</p>
How will fractional Scheme Consideration be treated?	<p>If in calculating your Scheme Consideration you would be entitled to a fraction of a New WAM Leaders Share, the fractional entitlement will be rounded up or down to the nearest whole number of New WAM Leaders Shares. For further information please see section 1.5B.</p>
Who are the Independent Directors?	<p>The Independent Directors are Mr Robert Turner, Mr Ross Finley and Mr Stephen Menzies.</p> <p>Given his role as a director of and interest in the Manager and as Chairman of WAM Leaders, Mr Geoff Wilson is not considered by the Independent Directors to be independent.</p> <p>For further information about the Century Directors please see section 5.4.</p>
What do the Independent Directors recommend?	<p>The Independent Directors believe the Scheme is in the best interests of Century Shareholders and recommend that Century</p>

	<p>Shareholders vote in favour of the Scheme Resolution in the absence of a superior proposal.</p> <p>On the basis that Geoff Wilson is not considered by the Independent Directors to be independent, he does not make a recommendation in relation to the Scheme Resolution.</p> <p>For further information see section 1.2.</p>
How do the Independent Directors intend to vote in respect of their own Century Shares?	<p>In the absence of a superior proposal, the Independent Directors intend to vote (or procure the voting of) all their Century Shares in favour of the Scheme Resolution and recommend all Century Shareholders also vote in favour of the Scheme Resolution.</p> <p>For further information see section 1.2.</p>
What is the opinion of the Independent Expert?	<p>The Independent Expert has considered the merits of the Scheme and has concluded that the Scheme is fair and reasonable and is in the best interests of Century Shareholders in the absence of a superior proposal.</p> <p>The Independent Expert's Report is set out in full at Annexure A.</p>
How will the Scheme be implemented?	<p>The Scheme will be implemented by way of a scheme of arrangement between Century and Century Shareholders. As part of the Scheme, WAM Leaders will acquire all of the Century Shares from the Scheme Participants, in consideration for the Scheme Consideration. The Scheme is subject to (amongst other things), the approval of Century Shareholders and the approval of the Court.</p> <p>Century Shareholders will be asked to consider and vote on the Scheme Resolution at the Scheme Meeting. If all the Scheme Conditions are satisfied or waived (in accordance with the Scheme Implementation Agreement), the Scheme will constitute a binding arrangement between Century and each Scheme Participant is to transfer all of their Century Shares to WAM Leaders. Further details on how the Scheme will be implemented are set out in section 10.</p>
When and where will the Scheme Meeting be held?	<p>The Scheme Meeting is scheduled to be held at 10:00am on Tuesday, 12 February 2019 at the offices of WAM Leaders Limited at Level 26, Governor Phillip Tower, 1 Farrer Place, Sydney NSW 2000.</p> <p>For further information see section 2.3.</p>
Who is entitled to participate in the Scheme?	<p>Only persons registered as holders of Century Shares on the Record Date may participate in, and will be bound by, the Scheme. It is anticipated that the Record Date will be 7:00pm on Tuesday, 26 February 2019. This date may change. Any changes will be announced to the ASX and notified on the ASX announcements platform.</p> <p>For further information see section 2.2.</p>
When will the Scheme become Effective?	<p>Subject to satisfaction or waiver (in accordance with the Scheme Implementation Agreement) of the conditions to the Scheme summarised in section 10.8, it is expected that the Scheme will become Effective on Tuesday, 19 February 2019. New WAM Leaders Shares will not be issued until the Implementation Date. It is expected that the Implementation Date will be on Tuesday, 5 March 2019.</p>

	For further information please see section 1.4B.
What are the reasons to vote in favour of the Scheme?	<p>The reasons to vote in favour of the Scheme are considered in section 3.3 and include:</p> <ul style="list-style-type: none"> • the Independent Directors believe that the proposed Scheme is in the best interests of Century Shareholders, in the absence of a superior proposal; • the Independent Expert has concluded that the proposed Scheme is fair and reasonable and therefore in the best interests of Century Shareholders, in the absence of a superior proposal; • access to a larger capital and shareholder base with the enhanced scale and a share price that is expected to trade closer to the Enlarged Group's net tangible assets as a result of the increased on market liquidity for the Enlarged Group; • a reduced management expense ratio of at least 0.30% per annum (before performance fees, brokerage, interest expenses and dividends on borrowed stock) than is currently achieved for Century Shareholders as a result of the removal of duplicated expenses between the two companies and a larger pool of assets to spread the expenses across; • the value of the Scheme Consideration is expected to deliver a premium to Century's historic share price; • access to an established history of outperformance and the profit reserves and franking account balance of WAM Leaders; and • Mr Ross Finley will be invited to join the board of the Enlarged Group on completion of the Scheme to ensure continuity for Century Shareholders.
What are the reasons I may want to vote against the Scheme?	<p>The reasons you may want to vote against the Scheme are considered in section 3.4 and include:</p> <ul style="list-style-type: none"> • you may disagree with the Independent Directors' recommendation and the Independent Expert's conclusion and believe that the Scheme is not in your best interests (refer to the disadvantages in section 10.2 of the Independent Expert Report); • no guarantee can be given in respect of the future performance of the Enlarged Group or the Enlarged Group's investment portfolio; • the deferred tax assets may not be available in the Enlarged Group; and • the integration of Century and WAM Leaders may be more difficult or take more time than currently anticipated and there is a risk that expected synergies may not be realised within the anticipated timeframe or at all or to their full extent; • the Scheme NTA of Century and WAM Leaders may fluctuate up and until the Calculation Date which may affect the number of New WAM Leaders Shares to which you will be entitled as Scheme Consideration; • the market price of WAM Leaders Shares may fluctuate after implementation due to the issue of New WAM Leaders Shares; and • the tax consequences of the Scheme may not suit your financial position.

What are the risks of the Scheme?	<p>The risks associated with the Scheme include but are not limited to:</p> <ul style="list-style-type: none"> • risks relating to the Enlarged Group, which are common to both Century and WAM Leaders; • existing risks relating to Century's investments, which are common to the investments of both Century and WAM Leaders and will continue to be relevant to those investments after the implementation of the Scheme; and • risks relating to the implementation of the Scheme, including (without limitation) certain conditions of the Scheme not being met, merger costs, synergy realisation, movements in the market price of WAM Leaders Shares and the fluctuation of the Scheme Consideration up to and until the Calculation Date with the movement of the relative net tangible asset per share of each of Century and WAM Leaders. <p>Further detail about these risks is set out in section 4.</p>
What happens if the Scheme does not proceed?	<p>If the Scheme is not implemented, Transaction Costs in connection with the Scheme of approximately \$205,000 (excluding GST) are to be shared in equal proportions by Century and WAM Leaders, subject to certain circumstances where the costs may be payable in full by either Century or WAM Leaders as set out in sections 5.9 to 5.11.</p>
What will be the effect of the Scheme on Scheme Participants?	<p>If the Scheme is implemented:</p> <ul style="list-style-type: none"> • Scheme Participants will transfer all their Century Shares to WAM Leaders; • each Scheme Participant will receive the Scheme Consideration in consideration for the transfer of each of their Century Shares; and • Century will become a wholly owned subsidiary of WAM Leaders and will be delisted from the ASX. <p>For further information see section 10.</p>
What are the options for Century Shareholders?	<p>Century Shareholders may:</p> <ul style="list-style-type: none"> • vote in favour of the Scheme Resolution at the Scheme Meeting; • vote against the Scheme Resolution at the Scheme Meeting; • sell their Century Shares before trading is suspended on the Effective Date; or • do nothing.
What approvals are required at the Scheme Meeting?	<p>For the Scheme to be approved, votes in favour of the Scheme Resolution must be received from Century Shareholders as follows:</p> <ul style="list-style-type: none"> • a majority in number (more than 50%) of Century Shareholders present and voting at the Scheme Meeting (whether in person, by proxy, by attorney or by corporate representative); and • at least 75% of the total number of votes cast on the Scheme Resolution (whether in person, by proxy, by attorney or by corporate representative). <p>For further information see section 2.1.</p>

What are the key conditions to be satisfied before the Scheme can proceed?	<p>The key conditions that must be satisfied in order for the Scheme to proceed are:</p> <ul style="list-style-type: none"> • Century Shareholders approving the Scheme Resolution at the Scheme Meeting; and • the Court approving the Scheme. <p>These are not the only conditions. Each of the conditions is summarised in section 10.8 of this Scheme Booklet. The conditions are set out in full in clause 3.1 of the Scheme Implementation Agreement which is reproduced in Annexure B.</p>
Questions about the Enlarged Group	
Who is WAM Leaders?	<p>WAM Leaders is a listed investment company, incorporated in Victoria, Australia on 1 March 2016 and was admitted to the official list of the ASX on 30 May 2016. Further information about WAM Leaders is set out in section 6.</p>
Why does WAM Leaders wish to acquire Century?	<p>WAM Leaders believes the Scheme will create a single listed investment company with a larger capital and shareholder base under the same investment manager. WAM Leaders believes that the Enlarged Group will deliver the following benefits:</p> <ul style="list-style-type: none"> • increased net assets of approximately over \$885 million and more than 18,000 shareholders, expected to deliver shareholders access to greater on-market liquidity; • the continued proven investment strategy of the Manager, providing investors with diversified exposure to a portfolio of undervalued growth companies predominately within the S&P/ASX 200 Index; • a reduced management expense ratio as a result of the removal of duplicated expenses between the two companies as well as a larger pool of assets to spread the expenses across; • a share price expected to trade closer to the Enlarged Entity's net tangible assets as a result of the increased on market liquidity for the Enlarged Group; and • WAM Leader's dividend policy and history of paying a growing stream of fully franked dividends to shareholders <p>For further information see section 3.3.</p>
Who will manage the Enlarged Group following the completion of the Scheme?	<p>Each of Century and WAM Leaders have the same investment manager, MAM Pty Limited which will continue to act as a manager of the Enlarged Group and there will be no substantive changes to the existing management arrangements already in place. MAM Pty Limited is part of the Wilson Asset Management Group.</p> <p>For further information see section 7.3.</p>
Who will be the Chairman of the Enlarged Group?	<p>Geoff Wilson, the Chairman of WAM Leaders, will continue to act as Chairman of the Enlarged Group.</p> <p>For further information see section 7.3.</p>
Where will the head office of the Enlarged Group be located?	<p>The Enlarged Group will be located at the offices of WAM Leaders, which is at Level 26, Governor Phillip Tower, 1 Farrer Place Sydney NSW 2000.</p>
What are the intentions of the Board of WAM Leaders in	<p>The Manager, MAM Pty Limited, will remain as the investment manager for the Century assets in accordance with the</p>

<p>relation to the investments of the Enlarged Group after implementation of the Scheme?</p>	<p>arrangements described in section 5 and the Wilson Asset Management Group will ultimately be responsible for managing all the assets held by the Enlarged Group.</p> <p>If the Scheme is approved, the board of the Enlarged Group will consider as soon as practicable, issues such as whether WAM Leaders will form a tax consolidated group with Century and the management of the assets held within Century.</p> <p>Although the WAM Leaders Board expects that all the assets of the Enlarged Group will be managed in a similar way to those of WAM Leaders, the board of the Enlarged Group will only be able to make definitive decisions once it has all the necessary information available to it and upon implementation of the Scheme.</p> <p>For further information refer to section 7.3.</p>
<p>Questions about implementation of the Scheme</p>	
<p>How will the NTA for Century and WAM Leaders be calculated?</p>	<p>The Scheme Consideration will be based on the pre-tax net tangible asset backing per share for both Century and WAM Leaders. The NTA will be determined in accordance with the ASX Listing Rules and the Australian Accounting Standards, after excluding all current and deferred tax assets and liabilities and less any transaction costs associated with implementing the Scheme.</p> <p>The NTA will be calculated as at the Calculation Date which will be 5:00pm on Thursday, 31 January 2019. The Scheme Consideration (being exchange ratio for New WAM Leaders Shares) will be announced to ASX on or before Friday, 8 February 2019.</p> <p>Each of Century and WAM Leaders will calculate its own NTA and will provide the calculation to the Manager for certification. This certification will be completed as soon as practicable on delivery of the NTA information after the Calculation Date. In the event that there is a material discrepancy in the calculation of the WAM Leaders NTA or the Century NTA, then the parties must use their best endeavours to resolve and failing that must refer the matter for determination by an independent expert. Given Geoff Wilson is a director of each of Century, WAM Leaders and the Manager, appropriate provisions will be put in place including information barriers regarding the divisions of responsibility and preparation of the Century NTA and the WAM Leaders NTA.</p> <p>It is anticipated that the precise Scheme Consideration to be paid will be known and announced by the Record Date for the Scheme, expected to be 7:00pm on Tuesday, 26 February 2019.</p> <p>For further information see sections 1.4 to 1.5.</p>
<p>How will a change in the NTA of Century or WAM Leaders impact the number of New WAM Leaders Shares to which I will be entitled if the Scheme is implemented?</p>	<p>A decrease in the NTA per Century Share relative to that of WAM Leaders following the Calculation Date will result in Scheme Participants being entitled to a smaller number of New WAM Leaders Shares as Scheme Consideration.</p> <p>An increase in the NTA per Century Share relative to that of WAM Leaders following the Calculation Date will result in Scheme Participants being entitled to a larger number of New WAM Leaders Shares as Scheme Consideration.</p>

	<p>The examples in section 1.5C set out, for illustrative purposes only, an indication of the number of New WAM Leaders Shares to which each Scheme Participant would be entitled based on a range of possible NTA balances for each company.</p>
<p>Illustratively, what number of New WAM Leaders Shares would I be entitled to if the Scheme is implemented and the respective NTAs of Century and WAM Leaders as at the Calculation Date do not change from their levels as at 31 October 2018?</p>	<p>The NTA Formula is based on:</p> <ul style="list-style-type: none"> the respective pre-tax NTA per share of each company as at the Calculation Date; and after excluding all current and deferred tax assets and liabilities and less any transaction costs associated with implementing the Scheme. <p>Scheme Participants would have been entitled to approximately 0.855 New WAM Leaders Shares for each 1 Century Share held based on the reported monthly net asset backing for each company as at 31 October 2018.</p> <p>For further information see section 1.5C.</p>
<p>Will I be required to pay broker fees or stamp duty?</p>	<p>You will not have to pay either brokerage or stamp duty if the Scheme is implemented unless you are an Ineligible Foreign Shareholder.</p> <p>For further information see section 3.5E.</p>
<p>When will I receive my New WAM Leaders Shares?</p>	<p>Scheme Participants (other than Ineligible Foreign Shareholders) will be issued with New WAM Leaders Shares on the Implementation Date and an advice detailing your new holding is expected to be sent on that date. At this stage, the Implementation Date is expected to be Tuesday, 5 March 2019.</p> <p>If the Scheme becomes Effective, it is expected that trading in Century Shares on the ASX will be suspended at close of trade of the Effective Date, and that trading of New WAM Leaders Shares on a normal settlement basis will commence at start of trade on Wednesday, 6 March 2019. These dates may change. Any change will be announced to the ASX and notified on the ASX announcements platform.</p> <p>For further information please see section 10.3.</p>
<p>Can I sell my Century Shares now?</p>	<p>You can offer to sell your Century Shares on the ASX at any time prior to trading in Century Shares being suspended. If the Scheme becomes Effective, it is expected that trading in Century Shares on the ASX will be suspended at close of trade on the Effective Date. It is currently anticipated that the Effective Date will be Tuesday, 19 February 2019.</p>
<p>Who is an Ineligible Foreign Shareholder?</p>	<p>Each Century Shareholder whose address on Century's Share Register as at the Record Date is a place outside Australia and its external territories, unless Century and WAM Leaders agree that it is lawful and not unduly onerous or impracticable to issue that Scheme Participant with New WAM Leaders Shares when the Scheme becomes Effective.</p> <p>For further information see section 2.10.</p>
<p>What if I am an Ineligible Foreign Shareholder?</p>	<p>Ineligible Foreign Shareholders will not receive the New WAM Leaders Shares to which they would otherwise be entitled under the Scheme. Instead, those New WAM Leaders Shares will be issued to the Sale Agent who will sell them on the ASX as soon as reasonably practicable and in any event not more than 20</p>

	<p>business days after the Implementation Date.</p> <p>The Sale Agent will remit the net proceeds of the sale received (after deducting any applicable brokerage, stamp duty and other costs, taxes and charges) to Century, and Century will then remit to each Ineligible Foreign Shareholder an amount equal to the proportion of the net proceeds of sale received by Century under the Sale Facility to which that Ineligible Foreign Shareholder is entitled, in satisfaction of their right to the Scheme Consideration.</p> <p>For further information on the treatment of Ineligible Foreign Shareholders, please refer to section 2.10.</p>
What are the tax implications of the Scheme for Scheme Participants?	<p>The taxation implications of the Scheme will differ depending on the individual circumstances of each Scheme Participant. General information on the taxation effect of the Scheme on Scheme Participants who are residents of Australia for tax purposes is set out in section 9. The information is expressed in general terms and does not constitute taxation advice in respect of the particular circumstances of any Scheme Participant.</p> <p>Your decision on how to vote on the Scheme Resolution should be made only after consultation with your financial, legal, taxation and other professional advisers based on your own investment objectives, financial situation, taxation position and particular needs.</p>
Warranty by Scheme Participants about their Century Shares and no encumbrances over Century Shares	<p>The Scheme provides that each Scheme Participant is deemed to have warranted to WAM Leaders that:</p> <ul style="list-style-type: none"> all their Century Shares (including any rights attaching to those shares) which are transferred to WAM Leaders under the Scheme will, at the date of transfer, be fully paid and free from all encumbrances of any kind, whether legal or otherwise, and restrictions on transfer of any kind; and they have full power and capacity to sell and to transfer their Century Shares together with any rights attaching to such Century Shares to WAM Leaders. <p>For further information please see section 3.5F.</p>
Questions about voting	
Who is entitled to vote at the Scheme Meeting?	<p>To be entitled to vote at the Scheme Meeting, you will need to be registered as a Century Shareholder at 7:00pm on Sunday, 10 February 2019.</p> <p>For further information please see section 2.2.</p>
Details of the Scheme Meeting	<p>The Details of the Scheme Meeting are:</p> <p>Location: WAM Leaders Limited Level 26, Governor Phillip Tower 1 Farrer Place, Sydney NSW 2000</p> <p>Date: Tuesday, 12 February 2019</p> <p>Time: 10:00am (Sydney time)</p> <p>For further information see section 2.3.</p>
How do I vote by Proxy?	<p>Accompanying this Scheme Booklet is a personalised Proxy Form. If you wish to vote on the Scheme Resolution but are not able to attend the Scheme Meeting, you should appoint a proxy</p>

	<p>by following the instructions on the Proxy Form. You do not need to complete the Proxy Form if you intend to vote in person, by attorney or by representative at the Scheme Meeting.</p> <p>In order to be valid, your proxy must be appointed by 10:00am on Sunday, 10 February 2019. If you intend to appoint your proxy by returning the completed Proxy Form by mail or fax, your Proxy Form must be received by Link Market Services Limited before 10:00am on Sunday, 10 February 2019.</p> <p>For further information see section 2.6 and the Notice of Meeting at Annexure D.</p>
Is voting compulsory?	<p>No, voting is not compulsory. However, your vote is important. If you cannot attend the Scheme Meeting to be held at 10:00 am on Tuesday, 12 February 2019, you should appoint a proxy. For further details regarding voting and appointing a proxy for the Scheme Meeting, see section 2 of this Scheme Booklet.</p>
What happens if I vote against the Scheme Resolution?	<p>If the Scheme becomes Effective it will bind all Century Shareholders, including those who voted against the Scheme Resolution and those who do not vote at all.</p> <p>For further information see section 10.1.</p>
Other information	
What other information is available?	<p>This Scheme Booklet provides detailed information in relation to the Scheme that all Century Shareholders should read.</p> <p>If you have any questions or require further information, you can call the Shareholder Information Line on:</p> <p style="text-align: center;">1300 494 861 (within Australia) +61 1300 494 861 (outside Australia)</p> <p>between 8.30am and 7.30pm Monday to Friday (Sydney Time).</p>

1. Summary of the Scheme

This section provides a summary of the Scheme, the reasons for the Scheme, the Independent Directors' recommendation in relation to how you should vote on the Scheme and the key terms of the Scheme Implementation Agreement.

The Scheme Implementation Agreement is set out in full in Annexure B.

1.1. Rationale for the Scheme

The newly formed Enlarged Group will create a single listed investment company with approximately \$885 million of net assets and more than 18,000 shareholders. The Enlarged Group is expected to provide shareholders with access to greater on market liquidity in the trading of their shares.

It is expected that Century Shareholders will have an investment in the Enlarged Group:

- (a) with access to a larger capital and shareholder base and enhanced scale;
- (b) with a share price expected to trade close to the company's net tangible assets determined by trading on the ASX which has greater on market liquidity (and therefore minimises the likelihood of trading at a discount due to illiquidity);
- (c) which will have a reduced management expense ratio of at least 0.30% per annum as a result of the removal of duplicated expenses between the two companies as well as a larger pool of assets to spread the expenses across; and
- (d) with access to an established history of outperformance, profit reserves and franking account balances of WAM Leaders.

The value of the Scheme Consideration is expected to deliver a premium to Century's historic share price.

1.2. Independent Directors' recommendation

In the absence of a superior proposal, each Independent Director intends to vote (or procure the voting) of all their Century Shares in favour of the Scheme Resolution and recommend all Century Shareholders also vote in favour of the Scheme Resolution.

In making this recommendation, the Independent Directors have considered alternatives, to address the size of Century, Century's operating costs, the historical discount of Century's share price to net tangible asset backing per share and on market liquidity, which includes, among other things, continuing Century in its current form. The Independent Directors have considered:

- (a) the advantages and disadvantages of the Scheme, including the reasons to vote in favour of the Scheme and reasons you may want to vote against the Scheme, set out in section 3;
- (b) the risks factors associated with the Scheme set out in section 4; and
- (c) the opinion of the Independent Expert, whose report is included in Annexure A.

After considering the information available to them, in the absence of a superior proposal, the Independent Directors unanimously recommend that you vote in favour of the Scheme Resolution.

On the basis that Geoff Wilson is not considered by the Independent Directors to be independent, he does not make a recommendation in relation to the Scheme Resolution.

1.3. Scheme Consideration

If the Scheme is implemented, Century Shareholders will receive Scheme Consideration by exchanging all of their Scheme Shares for New WAM Leaders Shares, described further in section 1.4. If the Scheme becomes Effective, the Scheme Consideration will be

provided in respect of each Century Share held at the Record Date, which is currently expected to be at 7:00pm (Sydney time) on Tuesday, 26 February 2019 .

1.4. Key dates relating to the Scheme Consideration

A. Calculation of Scheme Consideration

The Scheme NTA will be calculated as at the Calculation Date, being 5:00pm on Thursday, 31 January 2019. Century must procure that the Century NTA is calculated and delivered to WAM Leaders and the Manager within 5 Business Days of the Calculation Date with supporting information.

WAM Leaders must procure that the WAM Leaders NTA is calculated and delivered to Century and the Manager within 5 Business Days of the Calculation Date with supporting information. Each of Century and WAM Leaders will procure the Manager to certify this information as soon as practicable following receipt of the information after the Calculation Date.

In the event that there is a material discrepancy in the calculation of the WAM Leaders NTA or the Century NTA, then the parties must use their best endeavours to resolve and failing that must refer the matter for determination by an independent expert. Given Geoff Wilson is a director of each of Century, WAM Leaders and the Manager, appropriate provisions will be put in place including information barriers regarding the divisions of responsibility and preparation of the Century NTA and the WAM Leaders NTA.

The Scheme Consideration (being the exchange ratio for New WAM Leaders Shares) will be announced to ASX on or before Friday, 8 February 2019.

B. Issue of Scheme Consideration

The New WAM Leaders Shares will be issued to Century Shareholders (other than Ineligible Foreign Shareholders) on the Implementation Date, which is currently expected to be Tuesday, 5 March 2019. Confirmation of issue of New WAM Leaders Shares will be dispatched to Century Shareholders (other than Ineligible Foreign Shareholders) within 5 Business days of the Implementation Date. It is anticipated that the New WAM Leaders Shares will commence normal settlement trading on the ASX on Wednesday, 6 March 2019..

1.5. Consideration

A. Formula for calculating New WAM Leaders Shares

The number of New WAM Leaders Shares to be issued to Century Shareholders (or the Sale Agent in the case of Ineligible Foreign Shareholders) will be calculated based on the relative pre-tax net tangible asset backing per share of each company at the Calculation Date (**NTA Formula**):

$$\text{New WAM Leaders} = \text{CYA Shares} \times \frac{\text{CYA NTA}}{\text{WLE NTA}}$$

Where:

- (a) **New WAM Leaders** means the number of New WAM Leaders Shares to be issued to each Century Shareholder.
- (b) **CYA Shares** means the number of Scheme Shares held by that Century Shareholder.
- (c) **CYA NTA** means the Century NTA.
- (d) **WLE NTA** means the WAM Leaders NTA.

B. Effects of rounding

If in calculating your Scheme Consideration you would be entitled to a fraction of a New WAM Leaders Share, the fractional entitlement will be rounded up or down to the nearest

whole number of New WAM Leaders Shares.

C. Examples of calculation of number of New WAM Leaders Shares

The table below sets out, for illustrative purposes only, the exchange ratio for calculating the number of New WAM Leaders Shares to each Scheme Participant who would be entitled if the Scheme becomes Effective, based on the NTA per share values for each of Century and WAM Leaders as at 31 October 2018.

The illustrative exchange ratio is as follows:

Assumptions	Century	WAM Leaders
Pre-tax NTA per share at 31 October 2018	\$0.9643	\$1.1266
Less: transaction costs per share	\$(0.0011)	\$(0.0001)
Adjusted pre-tax NTA per share	\$0.9632	\$1.1265
Implied Exchange Ratio	0.855	

Note: above may not sum due to rounding.

For a Century Shareholder who holds 1,000 Century Shares, the table below sets out the maximum indicative number of New WAM Leaders Shares they would receive as Scheme Consideration for their Century Shares.

The table below sets out the way in which this would alter depending on the relative NTA of Century and WAM Leaders at the Calculation Date.

		Indicative Century Adjusted pre-tax NTA per share for merger calculation						
		\$0.9482	\$0.9532	\$0.9582	\$0.9632	\$0.9682	\$0.9732	\$0.9782
	\$1.1415	831	835	839	844	848	853	857
	\$1.1365	834	839	843	847	852	856	861
	\$1.1315	838	842	847	851	856	860	864
Adjusted WAM Leaders pre-tax	\$1.1265	842	846	851	855	859	864	868
NTA for merger calculation	\$1.1215	845	850	854	859	863	868	872
	\$1.1165	849	854	858	863	867	872	876
	\$1.1115	853	858	862	867	871	876	880

D. Indicative Scheme Consideration comparison to historic share price

The indicative Scheme Consideration, based on the Century NTA as at 31 October 2018 and after considering the transaction costs of the Scheme, is equivalent to \$0.9632 per Century Share compared to the closing price of Century Shares on the Last Practicable Trading Date of \$0.905, representing a premium of 6.4%. The indicative Scheme Consideration represents a premium to the Century Share price both prior to and after the announcement of the Scheme and represents:

- a 4.8% premium to the VWAP of Century Shares for one month before the Last Practicable Trading Date;
- a 2.5% premium to the VWAP of Century Shares for three months before the Last Practicable Trading Date; and
- a 0.5% premium to the VWAP of Century Shares for six months before the Last Practicable Trading Date.

E. Terms of New WAM Leaders Shares

New WAM Leaders Shares will be fully paid and will rank equally with other ordinary WAM Leaders shares on issue as at the Implementation Date. The New WAM Leaders Shares will be quoted on ASX. Section 8 sets out additional information about the New WAM

Leaders Shares.

1.6. Implementation of the Scheme

A. Scheme Implementation Agreement

Century and WAM Leaders entered into the Scheme Implementation Agreement on 13 November 2018. A copy of the Scheme Implementation Agreement is in Annexure B.

The Scheme Implementation Agreement can be terminated by either party in various circumstances. Section 10.11 set out further information regarding the termination of the Scheme Implementation Agreement.

At the date of this Scheme Booklet, Century and WAM Leaders are not aware of any reason to terminate the Scheme Implementation Agreement.

B. Scheme Conditions and status

Implementation of the Scheme is subject to the satisfaction or waiver of the Scheme Conditions summarised in section 10.8 and set out in clause 3.1 of the Scheme Implementation Agreement.

As at the date of this Scheme Booklet, Century and WAM Leaders are not aware of any circumstances which would cause the Scheme Conditions not to be satisfied or (if applicable) waived. An update of the status of the Scheme Conditions will be provided at the Scheme Meeting.

C. Undertaking for no dividends

Under the Scheme Implementation Agreement, Century and WAM Leaders have agreed to provide undertakings that they will not declare any dividends as follows:

- (a) Century must not declare, pay or distribute any dividend, bonus or other share of its profits or assets by way of dividend, capital reduction or otherwise up to the Implementation Date; and
- (b) WAM Leaders must not declare, pay or distribute any dividend, bonus or other share of its profits or assets by way of dividend, capital reduction or otherwise unless the record date for determining the holders of shares that participate in such dividend, capital reduction or other corporate action is after the Implementation Date.

The undertaking above provided by WAM Leaders ensures that all Century Shareholders who receive New WAM Leaders Shares under the Scheme are registered holders in the Enlarged Group and will benefit from any future fully franked dividends declared by WAM Leaders (where applicable).

D. Payment of tax liabilities

Under the Scheme Implementation Agreement, Century must also as soon as is reasonably practicable, on behalf of Century Shareholders, by no later than the Calculation Date, pay or procure the payment in full of the tax liabilities of Century for the 30 June 2018 income tax year and any current taxation due and payable by Century for the 30 June 2019 income tax year.

E. End date

If the Scheme Resolution is approved by Century Shareholders at the Scheme Meeting, the Scheme may still not be implemented if all the Scheme Conditions are not satisfied or waived (in accordance with the Scheme Implementation Agreement). If the Scheme has not become Effective on or before 1 April 2019 or such later date as Century and WAM Leaders may agree in writing, the Scheme will lapse and be of no further force and effect, and no Scheme Consideration will be distributed.

F. Exclusivity and Reimbursement Fee

Under the Scheme Implementation Agreement, Century has agreed that until the earlier of

termination of the Scheme Implementation Agreement and the Effective Date, it will not, and will ensure that its Representatives will not:

- (a) **(No shop restriction)** solicit or invite, directly or indirectly, any Competing Transaction or any enquiries, discussions or proposals which may reasonably be expected to lead to a Competing Transaction or communicate to any person an intention to do any of these things; and
- (b) **(No talk restriction)** participate in or continue any discussions or negotiations with any third party in relation to a Competing Transaction, provide or make available any information to a third party (including by way of providing information and access to perform due diligence), enter into any agreement, arrangement or understanding with a third party; or communicate to a third party any intention to do any of these things in relation to, or which may reasonably be expected to lead to, a Competing Transaction.

The 'no talk restriction' will not apply to a bona fide Competing Transaction which was not brought about as a result of any breach by Century of its obligations under its 'no talk restriction' or its 'no shop restriction' if the Independent Directors, in good faith and after having taken advice, determine that:

- (a) not undertaking the act would be reasonably likely to involve a breach of any Century Director's fiduciary or statutory duties or would otherwise be unlawful; and
- (b) the Competing Transaction is more favourable to Century Shareholders than the Scheme, taking into account all the terms and conditions of the Competing Transaction.

Century has also agreed that until the earlier of termination of the Scheme Implementation Agreement and the Effective Date, it will within 1 Business Day, notify WAM Leaders if it or any of its representatives:

- (a) is approached by any third party to take any action prohibited by the 'no talk restriction' and 'no shop restriction', including details of the party making the expression of interest, offer or proposal, their terms and any updates to the expression of interest, offer or proposal; or
- (b) receives any proposal, in any form, unsolicited or otherwise, in relation to any exploration or consummation of a Competing Transaction or a proposed or potential Competing Transaction, including details of the party making the proposal, the terms of the proposal and any updates to the proposal.

Century must also notify WAM Leaders if it or any of its representatives, in reliance on the exceptions above, propose to provide any information relating to Century or its business or operations, after such approach was made or proposal was received.

In the event that:

- (a) a majority of the members of the Independent Board Committee have changed, withdrawn or modified their recommendation given by them with respect to the Scheme in the Scheme Booklet;
- (a) a majority of the Board publicly recommends a Competing Transaction that is a Superior Competing Transaction;
- (b) a Century Prescribed Occurrence occurs and WAM validly terminates the Scheme Implementation Agreement in accordance with clause 3.4(b) of that document; or
- (c) WAM Leaders validly terminates the Scheme Implementation Agreement in accordance with Clause 11.1(a) of that document,

Century will be liable for all Transaction Costs and indemnify and hold WAM Leaders harmless with respect to any Transaction Costs incurred by WAM Leaders in relation to implementing the Scheme.

1.7. Independent Expert's Report

Century engaged BDO Corporate Finance (East Coast) Pty Ltd to provide an Independent Expert's Report assessing the merits of the Scheme for Century Shareholders. The Independent Expert's Report is included in this Scheme Booklet as Annexure A. In the opinion of the Independent Expert, the Scheme is in the best interests of Century Shareholders.

1.8. Ineligible Foreign Shareholders

Ineligible Foreign Shareholders will not receive the New WAM Leaders Shares to which they would otherwise be entitled under the Scheme. Instead, those New WAM Leaders Shares will be issued to the Sale Agent who will sell them on the ASX as soon as reasonably practicable and in any event not more than 20 Business Days after the Implementation Date.

The Sale Agent will then remit the net proceeds of the sale received (after deducting any applicable brokerage, stamp duty and other costs, taxes and charges) to Century, and Century will then remit to each Ineligible Foreign Shareholder an amount equal to the proportion of the net proceeds of sale received by Century under the Sale Facility to which that Ineligible Foreign Shareholder is entitled, in satisfaction of their right to the Scheme Consideration.

For further information on the treatment of Ineligible Foreign Shareholders, please refer to section 2.10.

1.9. Questions

If you have any questions or would like any further information about the Scheme, please call the Shareholder Information Line between 8.30am and 7.30pm Monday to Friday, Sydney Time on:

1300 494 861 (within Australia)

+61 1300 494 861 (outside Australia)

2. Scheme Meeting

This section 2 provides you with information on the Scheme Meeting, how to vote at the Scheme Meeting. Additional information about voting by proxy is set out on the Proxy Form, accompanying this Scheme Booklet.

2.1. Scheme Meeting

The Scheme Meeting is scheduled to be held at 10:00am on Tuesday, 12 February 2019 at the offices of WAM Leaders at Level 26, Governor Phillip Tower, 1 Farrer Place, Sydney NSW 2000.

Your vote is important

In order for the Scheme to be implemented, the Scheme Resolution must be approved by Century Shareholders at the Scheme Meeting. This means votes in favour of the Scheme Resolution must be received from:

- (a) a majority in number (more than 50%) of Century Shareholders present and voting at the Scheme Meeting (whether in person, by proxy, by attorney or, by corporate representative); and
- (b) at least 75% of the total number of votes cast on the Scheme Resolution (whether in person, by proxy, by attorney or, by corporate representative).

The Independent Directors unanimously recommend that you vote in favour of the Scheme Resolution.

2.2. Who is entitled to attend vote?

Each person that is registered on the Share Register as a Century Shareholder at 7:00pm on Sunday, 10 February 2019 is entitled to attend and vote at the Scheme Meeting, either in person, by proxy or attorney. If you are a corporate shareholder, then you can appoint a corporate representative to attend and vote your shares at the Scheme Meeting.

In the case of Century Shares held by joint holders, only one of the joint shareholders is entitled to vote. If more than one shareholder votes in relation to jointly held Century Shares, only the vote of the shareholder whose name appears first in the Share Register will be counted.

2.3. Location and details of the Scheme Meeting

The notice convening the Scheme Meeting is set out in Annexure D.

The details of the Scheme Meeting are as follows:

Location	WAM Leaders Limited Level 26, Governor Phillip Tower 1 Farrer Place, Sydney NSW 2000
Date	Tuesday, 12 February 2019
Time	10:00am (Sydney time)

2.4. How to vote on the Scheme

You can vote:

- (a) in person, by attending the Scheme Meeting;
- (b) by proxy

- (c) by attorney
- (d) by corporate authorised representative

2.5. Voting in person

Eligible Century Shareholders who wish to attend and vote at the Scheme Meeting in person will be admitted and given a voting card at the point of entry to the meeting, once they have disclosed their name and address.

2.6. Voting by proxy

- (a) **by mailing** the accompanying Proxy Form so that it is received before 10:00am on Sunday, 10 February 2019 to:

Century Australia Investments Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia

- (b) **by delivering in person** the accompanying Proxy Form so that it is received before 10:00am on Sunday, 10 February 2019 to:

Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138

or

Level 12, 680 George Street
Sydney NSW 2000

- (c) **by faxing** the accompanying Proxy Form so that it is received before 10:00am on Sunday, 10 February 2019 to:

(02) 9287 0309 (within Australia)
+61 2 9287 0309 (outside Australia)

- (d) **online** by visiting www.linkmarketservices.com.au and following the instructions in your Proxy Form to submit your voting intentions.

2.7. Undirected proxies

The Chairman of the Scheme Meeting will act as your proxy if the Proxy Form is returned to the Registry without naming a proxy or proxies.

Proxy appointments in favour of the Chairman of the Scheme Meeting, the company secretary of Century or any Century Director which do not contain a direction as to how to vote will be voted in support of the Scheme Resolution (in the absence of a superior proposal in respect of Century Shares prior to the date of the Scheme Meeting).

2.8. Voting by attorney

Century Shareholders wishing to vote by attorney at the Scheme Meeting must, if they have not already presented an appropriate power of attorney to Century for notation, deliver to Century the original instrument appointing the attorney by no later than 10.00am on Sunday, 10 February 2019 (Sydney time) (or, if the Scheme Meeting is adjourned, at least 48 hours

before the resumption of the Scheme Meeting in relation to the resumed part of the Scheme Meeting).

Unless the contrary is evident from the express terms of attorney, any power of attorney granted by a Century Shareholder will, as between Century and that Century Shareholder, continue in force and may be acted on, unless express notice in writing of its revocation or the death of the relevant Century Shareholder is lodged with Century.

2.9. Voting by corporate representative

To vote by corporate representative at the Scheme Meeting, a corporate Century Shareholder or proxy should obtain an appointment of corporate representative form from Century and complete and sign the form in accordance with the instructions on it. The appointment of corporate representative form must then be lodged either prior to the Scheme Meeting with the Registry or at the registration desk on the day of the Scheme Meeting.

The appointment of a representative may set out restrictions on the representative's powers.

The original form of appointment of a representative or a certificate of the body corporate evidencing the appointment of a representative is evidence of a representative having been appointed.

The Chairman of the Scheme Meeting may permit a person claiming to be a representative to exercise the appointing body's powers even if they have not produced a certificate or other satisfactory evidence of their appointment.

2.10. Ineligible Foreign Shareholders and operation of the Sale Facility

Each Century Shareholder whose address on Century's Share Register as at the Record Date in a place outside Australia and its external territories, unless Century and WAM Leaders agree that it is lawful and not unduly onerous or impracticable to issue that Scheme Participant with New WAM Leaders Shares when the Scheme becomes Effective, are Ineligible Foreign Shareholders.

Ineligible Foreign Shareholders will participate in the Scheme on the same basis as all Scheme Participant. However, Ineligible Foreign Shareholders will not receive the New WAM Leaders Shares to which they would otherwise be entitled under the Scheme. Instead, their New WAM Leaders Shares will be issued to the Sale Agent who will sell them on the ASX as soon as reasonably practicable and in any event not more than 20 Business Days after the Implementation Date.

The Sale Agent will then remit the net proceeds of the sale received (after deducting any applicable brokerage, stamp duty and other costs, taxes and charges) to Century, and Century will then remit to each Ineligible Foreign Shareholder an amount equal to the proportion of the net proceeds of sale received by Century under the Sale Facility to which that Ineligible Foreign Shareholder is entitled, in satisfaction of their right to the Scheme Consideration.

The obligation of Century to pay, or procure the payment of amounts in accordance with the Sale Facility to Ineligible Foreign Shareholders will be paid in Australian dollars by:

- electronic funds transfer to a bank account as noted on the Century Share Register on the Record Date; or
- whether or not an account is noted on the Century Share Register, a cheque drawn on an Australian bank and sent by pre-paid ordinary post (or if the Ineligible Foreign Shareholder's Registered Address is outside Australia, by pre-paid airmail post).

Full details of this process are contained in clause 5.2 of the Scheme (which is set out in Annexure C).

2.11. Further information

If you have any questions in relation to the Scheme, you can call the Shareholder Information Line on Monday to Friday between 8.30am and 7.30pm (Sydney Time) on:

1300 494 861 (in Australia)

+61 1300 494 861 (outside Australia)

If you have any questions regarding the number of Century Shares you hold or how to vote, please contact the Registry on Monday to Friday between 8.30am and 7.30pm (Sydney Time) on:

1300 494 861 (within Australia)

+61 1300 494 861 (outside Australia)

If you are in any doubt about anything in this Scheme Booklet, please contact your legal, financial or other professional adviser.

3. Key considerations relevant to your vote

This section 3 identifies the key considerations relevant to your vote including the material advantages, disadvantages, and other relevant matters you should consider when deciding whether to vote in favour of the Scheme Resolution.

You should carefully consider the following advantages and disadvantages of the Scheme, as well as the other information contained in this Scheme Booklet including the risks in section 4, in deciding whether or not to vote in favour of the Scheme Resolution.

3.1. Independent Directors' recommendation

The Independent Directors unanimously believe that the advantages of the Scheme outweigh its disadvantages and risks. In the absence of a superior proposal, each Independent Director recommends that Century Shareholders vote in favour of the Scheme Resolution and each Independent Director who holds or controls Century Shares intends to vote (or procure the voting) all of their Century Shares in favour of the Scheme Resolution.

Section 3.3 explains the reasons that the Independent Directors are making this recommendation.

3.2. Independent Expert's Report

The Independent Directors have commissioned an Independent Expert to prepare a report on the Scheme. That report concludes that in the view of the Independent Expert the Scheme is fair and reasonable and in the best interests of Century Shareholders, in the absence of a superior proposal.

The report is contained in Annexure A.

3.3. Reasons to vote in favour of the Scheme

A. The Independent Directors believe that the proposed Scheme is in the best interests of Century Shareholders, in the absence of a superior proposal

Since 2015, Century has undertaken a number of share issues and two share buy-backs. Those capital management transactions were designed in an attempt to reduce the discount to net tangible asset backing per share.

During the period from April 2017 to 31 October 2018, the Century Share price has traded between a discount to pre-tax NTA of 8.63% and a premium to pre-tax NTA of 1.92% (with the average discount over this period at 3.63%). The Independent Directors remain concerned that this discount cannot easily be reduced because of the size of Century and the relative illiquidity of trading in Century Shares on market.

In recommending the Scheme, the Independent Directors have reviewed the strategic alternatives to address the size of Century, Century's operating costs, the historical discount of Century's share price to net tangible asset backing per share and on market liquidity, which includes, among other things, continuing Century in its current form. After considering each of these options, the Independent Directors believe that the Scheme is in the best interests of Century Shareholders, in the absence of a superior proposal. This belief is supported by the Independent Expert, whose report is included in Annexure A.

B. The Independent Expert has concluded that the Scheme is fair and reasonable and therefore in the best interests of Century Shareholders, in the absence of a superior proposal

Century appointed BDO Corporate Finance (East Coast) Pty Ltd to prepare an Independent Expert's Report providing an opinion as to whether the Scheme is in the best interests of Century Shareholders.

The Independent Expert concluded that the Scheme is fair and reasonable and therefore in the best interests of Century Shareholders, in the absence of a superior proposal.

The reasons why the Independent Expert reached this conclusion is set out in the Independent Expert's Report, a copy of which is included in Annexure A. Century Shareholders should carefully review the Independent Expert's Report in its entirety.

C. Scheme Participants will have access to a larger capital and shareholder base with enhanced scale and a share price that is expected to trade closer to the Enlarged Group's net tangible assets as a result of the increased on market liquidity for the Enlarged Group

The Independent Directors believe that the shares of larger listed investment companies tend to trade at prices closer to the net tangible asset backing than the shares of smaller listed investment companies.

The Enlarged Group will be significantly larger than Century on a standalone basis. Based on the net tangible asset value of Century and WAM Leaders as at 31 October 2018, the Enlarged Group will have a combined net tangible asset value of approximately over \$885 million which would make it one of the largest ASX listed investment companies in terms of its net tangible asset value.

Using these assumptions, the Enlarged Group is expected to have more than 18,000 shareholders and the increased size is expected to provide shareholders with access to greater on market liquidity in the trading of their shares.

Further information about the Enlarged Group is set out in section 7.

D. The Enlarged Group is likely to benefit from a reduced management expense ratio of at least 0.30% per annum (before performance fees, brokerage, interest expenses and dividends on borrowed stock) than is currently achieved for Century Shareholders

Scheme Participants are likely to benefit from a reduced management expense ratio of at least 0.30% per annum (before performance fees, brokerage, interest expenses and dividends on borrowed stock) in the Enlarged Group than they currently do as Century Shareholders as a result of:

- (a) WAM Leaders' current management expense ratio (before performance fees, brokerage, interest expenses and dividends on borrowed stock) being lower than the ratio currently achieved by Century;
- (b) potential cost savings resulting from the removal of duplicated functions upon the cessation of Century operating as a separately listed entity; and
- (c) the increased asset base of the Enlarged Group.

While the management fees of the Century Management Agreement and WAM Leaders Management Agreement are similar, the percentage cost of expenses per share of Century has averaged 1.52% during the last 2 years, while that of WAM Leaders has averaged 1.17%. The Independent Directors believe that this represents a long term saving to all Century Shareholders in considering the Scheme.

These cost synergies and increased asset base will result in a reduction of the fixed cost expense ratio of the Enlarged Group. Further information about the potential synergies is set out in section 7.

E. The value of the Scheme Consideration is expected to deliver a premium to Century's historic share price

The number of New WAM Leaders Shares to be issued to Century Shareholders is based on the relative pre-tax net tangible asset backing per share of each company at the Calculation Date.

Based on the relative net tangible asset backing per share of each company as at 31 October 2018 each Century Shareholder would receive 0.855 New WAM Leaders Shares for every 1 Century Share held. See section 8 for further information.

The value of the Scheme Consideration is expected to deliver a premium to Century's historic share price. The Independent Directors believe that the Scheme is a benefit to all shareholders in Century, not only by reducing the share price discount to the net tangible asset

backing per share, but by providing shareholders with a more liquid and actively traded market for their securities.

The indicative Scheme Consideration, based on the Century NTA as at 31 October 2018 and after considering the transaction costs of the Scheme, is equivalent to \$0.9632 per Century Share compared to the closing price of Century Shares on the Last Practicable Trading Date \$0.905, representing a premium of 6.4%. The indicative Scheme Consideration represents a premium to the Century Share price both prior to and after the announcement of the Scheme and represents:

- a 4.8% premium to the VWAP of Century Shares for one month before the Last Practicable Trading Date;
- a 2.5% premium to the VWAP of Century Shares for three months before the Last Practicable Trading Date; and
- a 0.5% premium to the VWAP of Century Shares for six months before the Last Practicable Trading Date.

Additionally, Century Shareholders may benefit from scrip-for-scrip rollover relief, subject to their own individual circumstances. A choice to obtain scrip for scrip roll-over allows the Century Shareholder to disregard a capital gain made on the disposal of a Century Share under the Scheme to the extent that the proceeds from the disposal of a Century Share relate to the receipt of a WAM Leaders Share. See section 9 for further information.

F. Scheme Participants will gain access to an established history of outperformance and the profit reserves and franking account balance of WAM Leaders

In 2018, WAM Leaders achieved strong growth as assets grew by \$384.5 million to \$864.2 million. WAM Leaders recorded a record pre-tax profit of \$100.5 million and paid tax of \$10.6 million and dividends of \$29.9 million (net of reinvestment) during the period. The growth in assets was achieved through the strong performance of the WAM Leaders portfolio, which increased 17.8% for the year and the successful option capital raising which raised \$320.5 million in the 12 months to 30 June 2018. The increase in the WAM Leaders portfolio was achieved with an average 86.0% invested in equities, with the WAM Leaders portfolio outperforming the S&P/ASX 200 Accumulation Index by 4.8%, with less volatility than the Index. Since inception, the WAM Leaders portfolio recorded a standard deviation of 6.9% against the market's 8.4%. The return on the equity portion of the WAM Leaders portfolio was 20.4% and the return on the cash portion of the WAM Leaders portfolio was 2.0% for the year.

WAM Leaders declared a fully franked full year dividend of 5.0 cents per share, an increase of 66.7% on the previous year, with the fully franked final dividend being 2.5 cents per share.

As at 31 October 2018, WAM Leaders had a profits reserve balance of \$58,334,714 and a franking credit balance of \$7,014,555 including current tax payable by WAM Leaders and franking credits receivable. The reserve profits balance provides WAM Leaders with the capacity to frank additional dividends up to an amount of approximately 8.3 cents per WAM Leaders Share as at 31 October 2018.

Further information about the performance of WAM Leaders is set out in section 6.

G. Mr Ross Finley will be invited to join the board of the Enlarged Group on completion of the Scheme to ensure continuity for Century Shareholders

If the Scheme is implemented, Mr Finley, will be invited to take a seat on the board of WAM Leaders, ensuring continuity for Century Shareholders in the Enlarged Group.

3.4. Reasons you may want to vote against the Scheme

The Independent Directors strongly believe that the reasons to vote in favour of the Scheme outweigh the reasons you may want to vote against the Scheme, and each Independent Director recommends all Century Shareholders vote in favour of the Scheme, in the absence of a superior proposal. However, the Independent Directors believe that Century Shareholders should take into consideration these factors when deciding whether or not to vote in favour of

the Scheme.

A. You may disagree with the Independent Directors' recommendation and the Independent Expert's conclusion and believe that the Scheme is not in your best interests

Notwithstanding the unanimous recommendation of the Independent Directors and the determination of the Independent Expert, you may believe that the Scheme is not in your best interests.

There is no obligation to follow the recommendation of the Independent Directors or to agree with the opinion of the Independent Expert.

B. No guarantee can be given in respect of the future performance of the Enlarged Group

Success and ability of the Enlarged Group to meet its investment objectives are dependent on the performance of the investment portfolio. No guarantee can be given in respect of the future performance of the Enlarged Group or the Enlarged Group's investment portfolio.

C. Deferred tax assets may not be available in the Enlarged Group

Due to the expanded asset base of the Enlarged Group, Century's deferred tax assets of approximately 7.8 cents per share would be an immaterial asset of the Enlarged Group. It is currently uncertain if the deferred tax assets would be available for utilisation by the Enlarged Group in the future. As a result, the deferred tax assets of Century have not been included as part of the Scheme Consideration for Century Shareholders.

D. There are risks associated with the Scheme for Scheme Participants which you may consider exceed the benefits of the Scheme

There are a number of risks that may result from implementation of the Scheme. There are also a number of risk factors that relate to investing in a listed investment company. These include:

- (a) it is possible that the integration of Century and WAM Leaders will be more difficult or take more time than currently anticipated, and could delay the realisation of synergy benefits expected to result from the Scheme;
- (b) the Scheme NTA of Century and WAM Leaders may fluctuate up and until the Calculation Date which may affect the number of New WAM Leaders Shares to which Scheme Participants will be entitled as Scheme Consideration; and
- (c) the market price of WAM Leaders Shares may fluctuate post implementation due to the issue of New WAM Leaders Shares.

Further information about the risks is set out in section 4.

E. The tax consequences of the Scheme may not suit your financial position

Century Shareholders will receive New WAM Leaders Shares as part of the Scheme Consideration. The Scheme Consideration is being determined on the pre-tax NTA of Century and WAM Leaders respectively. Where there is a difference between the pre-tax NTA and post-tax NTA of WAM Leaders as at the Calculation Date, this represents a potential tax liability to WAM Leaders, payable at the corporate tax rate applicable of 30%. When WAM Leaders realises and subsequently makes payment of this tax, it will generate franking credits for WAM Leaders which can be paid in the form of fully franked dividends to WAM Leaders Shareholders.

Century Shareholders who receive New WAM Leaders Shares as part of the Scheme Consideration and who have an effective tax rate higher than the applicable corporate tax rate of 30% may be disadvantaged to the extent that a future fully franked dividend from WAM Leaders does not compensate them for the potential tax liability of WAM Leaders included in the post-tax NTA of WAM Leaders as at the Calculation Date. However, the Independent Directors believe that the advantages of the Scheme and the reasons to vote in favour of the Scheme outweigh this potential disadvantage.

Implementation of the Scheme may trigger taxation consequences for Century Shareholders.

A general guide to the taxation implications of the Scheme is set out in section 9. This guide is expressed in general terms only and Century Shareholders should seek professional taxation advice regarding the tax consequences applicable to their own circumstances.

3.5. Other Relevant Considerations

A. The Scheme may be implemented even if you vote against the Scheme or you do not vote at all

You should be aware that even if you do not vote, or vote against the Scheme, the Scheme may still be implemented if it is approved by the Century Shareholders at the Scheme Meeting and by the Court. If this occurs, your Century Shares will be transferred to WAM Leaders and you will receive the Scheme Consideration even though you did not vote, or voted against, the Scheme.

B. No superior proposal has emerged

As at the date of this Scheme Booklet, no superior proposal has been received by Century. The Independent Directors will keep you informed of any material developments between the date of this Scheme Booklet and the Scheme Meeting which may affect the Independent Directors' belief that the Scheme is in the best interests of Century Shareholders (other than WAM Leaders and its Related Bodies Corporate). Any announcements will be made on the ASX company announcements platform.

C. Management of the Enlarged Group

The management of the portfolio of Century will not substantially change as:

- (a) the Enlarged Group will be managed by the same investment manager that currently manages Century (being MAM Pty Limited, a member of the Wilson Asset Management Group);
- (b) the investment mandates of Century and WAM Leaders are substantially similar;
- (c) the management fees payable to the Wilson Asset Management Group by each of Century and WAM Leaders are the same; and
- (d) the performance fees for the Enlarged Group are more favourable as the WAM Leaders performance fee is payable annually rather than semi-annually under the Century performance fee structure.

The term and fee structure under WAM Leaders differs from the term and fee structure under Century's Investment Management Agreement with the Manager. Key points of difference include:

- (a) **Performance fee:** performance fees for the Manager of both Century and WAM Leaders are calculated by reference to different benchmarks but at the same rate and calculation principles. MAM Pty Limited is entitled to be paid a performance fee by Century and WAM Leaders being 20% (plus GST) of the amount by which the value of the portfolio exceeds the return of the S&P/ASX 300 Accumulation Index and S&P/ASX 200 Accumulation Index (respectively) over that period. The possible implications for Century Shareholders in changing the benchmark is discussed below. If the value of the portfolio is less than the return of the relevant index, no performance fee will be payable in respect of that period and the negative amount is to be carried forward to the following calculation period(s) until it has been recouped in full against future positive performance. No performance fees will be payable until the full recoupment of prior underperformance for both Century and WAM Leaders; and
- (b) **Term:** the Century Management Agreement between Century and MAM Pty Limited is for an initial term of five years and is automatically extended for further five year terms and can be terminated by MAM Pty Limited at any time after the initial five year term by giving Century six months' notice. The term of the WAM Leaders Management Agreement is currently ten years, with automatic five year extensions, unless terminated

earlier in accordance with the WAM Leaders Management Agreement.

Section 6 sets out further details on WAM Leaders' historical investment portfolio performance, investment objectives and strategy.

The S&P/ASX 300 means the index comprised of the 300 largest index-eligible securities listed on the ASX by float adjusted market capitalisation. The S&P/ASX 200 means the index comprised of the 200 largest index-eligible securities listed on the ASX by float adjusted market capitalisation.

Assuming implementation of the Scheme, the performance fee of the Enlarged Group for the Manager will be measured against the S&P/ASX 200 Accumulation Index. However, the portfolio of the Enlarged Group will provide investors with access to a portfolio predominately comprised of large-cap companies in the S&P/ASX 200 Accumulation Index. The investment universe of the Enlarged Group will be focused on large-cap companies included in the S&P/ASX 200 Index, however it may invest in all securities, quoted on the ASX or other exchanges, hold cash, and invest in other permitted investments.

In substance and given the historical correlation between the S&P/ASX 300 Accumulation Index and S&P/ASX 200 Accumulation Index, the Independent Directors consider that the change of performance benchmarks will not have any material implications for Century Shareholders.

D. Taxation

If the Scheme is implemented, it may result in taxation implications for Century Shareholders. These implications will differ depending on the individual circumstances of each Century Shareholder.

Century Shareholders who dispose of their Century Shares for WAM Leaders Shares and make a capital gain may be eligible to elect scrip for scrip roll-over relief where WAM Leaders becomes the owner of 80% or more of Century. If the Scheme becomes Effective, WAM Leaders will acquire 100% of Century Shares. A general outline of the potential Australian tax implications of the Scheme for Century Shareholders is set out in section 9.

E. No direct transaction costs for Scheme Participants

No brokerage or stamp duty will be paid by Scheme Participants on the transfer of their Century Shares to WAM Leaders, or on the issue of New WAM Leaders Shares. Scheme Participants (other than Ineligible Foreign Shareholders) can participate in the expected future growth of the Enlarged Group without having to pay brokerage costs or stamp duty which might otherwise be payable if WAM Leaders Shares were bought on the ASX.

F. Warranty by Scheme Participants about their Century Shares and no encumbrances over Century Shares

The Scheme provides that each Scheme Participant is deemed to have warranted to WAM Leaders that:

- (a) all their Century Shares (including any rights attaching to those shares) which are transferred to WAM Leaders under the Scheme will, at the date of transfer, be fully paid and free from all encumbrances of any kind, whether legal or otherwise, and restrictions on transfer of any kind; and
- (b) they have full power and capacity to sell and to transfer their Century Shares together with any rights attaching to such Century Shares to WAM Leaders.

In addition, the Scheme provides that, to the extent permitted by law, the Century Shares (including all rights and entitlements attaching to the Century Shares) transferred under the Scheme to WAM Leaders will, at the time of transfer of them to WAM Leaders vest in WAM Leaders free of all securities for payment of moneys or performance of obligations (including any 'security interests' within the meaning of section 12 of the Personal Property Securities Act 2009 (Cth)) and interests of third parties of any kind, whether legal or otherwise and free from any restrictions on transfer of any kind.

G. Transaction Costs and Reimbursement Fee

If the Scheme is not implemented, Transaction Costs in connection with the Scheme of approximately \$205,000 (excluding GST) are to be shared in equal proportions by Century and WAM Leaders. Section 5.9 sets out further details on the Transaction Costs. In certain circumstances where the Scheme is not implemented, the Transaction Costs may be payable in full by either Century or WAM Leaders as set out in sections 5.10 and 5.11.

4. Risk factors

This section 4 describes what the Independent Directors believe to be the principal risks associated with the Scheme. You should note that this section is not an exhaustive list of the risks associated with the Scheme and it should be considered in conjunction with other information disclosed in this Scheme Booklet.

You should carefully consider these risks in light of your personal circumstances and seek professional advice from your accountant, stockbroker, lawyer or other professional adviser before deciding how to vote.

4.1. Risk factors faced by both Century and WAM Leaders

A. General economic conditions

Material adverse changes in general economic conditions may have an adverse impact on the operations and performance of the Enlarged Group. The various general domestic and international economic factors that shareholders in Century, WAM Leaders and the Enlarged Group are exposed to include, but are not limited to:

- economic growth;
- interest rates;
- inflation;
- currency exchange rates;
- employment levels;
- consumer and business sentiment; and
- financial market volatility.

B. Share price movements

An investment in the Enlarged Group will be subject to fluctuations in share price which are normal and expected for ASX listed entities. These fluctuations are due to a wide variety of factors, some of which the Enlarged Group will seek to mitigate while others are outside the control of the Enlarged Group.

C. Listed investment companies

A listed investment company's share price may trade at a premium or discount to net tangible asset backing per share. The operations and financial performance of listed investment companies are driven by a number of factors, including, but not limited to:

- domestic and international economic growth;
- performance of domestic and international financial markets;
- domestic and international political events; and
- relevant regulation in Australia and overseas.

D. Litigation risk

Exposure to litigation brought by third parties such as investors, regulators, employees or business associates could negatively impact operations and financial performance through increased costs, payment of damages and damage to reputation.

The Independent Directors are currently not aware of any impending litigation.

E. Business risk

The success of both Century and WAM Leaders is highly dependent on the ability of their directors and investment managers to assess business risks and make appropriate investment decisions. No guarantee can be given in respect of the future earnings of Century or WAM Leaders or the performance of their investment portfolios.

F. Market risk

Broad market risks include movements in domestic and international securities markets, movements in foreign exchange rates and interest rates, changes in taxation laws and other laws affecting investments and their value.

The Enlarged Group portfolio will be constructed so as to minimise market risks. Certain events may have a negative effect on the price of all types of investments within a particular market. These events may include changes in economic, social, technological or political conditions, as well as market sentiment. The Manager will seek to minimise market and economic risks but cannot eliminate them entirely.

G. Equity risk

There is a risk that the Enlarged Group shares will fall in value over short or extended periods of time. Historically, shares have outperformed other traditional asset classes over the long term. Share markets tend to move in cycles, and individual share prices may fluctuate and underperform other asset classes over extended periods of time. Shareholders in the Enlarged Group are exposed to this risk through their holding in the Enlarged Group shares as well as through the Enlarged Group's investment portfolio.

H. Short selling risk

Short selling securities involves borrowing stock and selling these borrowed securities. Short selling is subject to the theoretically unlimited risk of loss because there is no limit on how much the price of a security may appreciate. Additionally, there is a risk that the securities lender may request return of the securities. These risks may give rise to the possibility that positions may have to be liquidated at a loss and not at a time of the Manager's choosing.

I. Industry risk

There are a number of industry risk factors that may affect the future operation or performance of the Enlarged Group. These factors are outside the control of the Enlarged Group. Such factors include increased regulatory and compliance costs and variations in legislation and government policies generally.

J. Leverage risk

While the Enlarged Group and the Manager do not currently intend to use debt to increase the scale of the Enlarged Group's investment portfolio, the use of short selling does create leverage. Short Selling can enlarge the fluctuations in the portfolio value of the Enlarged Group in a manner similar to a debt leveraged portfolio. These risks give rise to the possibility that positions may have to be liquidated at a loss and not at a time of the Manager's choosing.

K. Interest rate risk

Interest rate movements may adversely affect the value of the Enlarged Group through their effect on the price of a security and the cost of borrowing.

L. Default risk

Investment in securities and financial instruments generally involves third parties as custodial and counter parties to contracts. Use of third parties carries risk of default and failure to secure custody that could adversely affect the value of the Enlarged Group.

The Enlarged Group will outsource key operational functions including investment management, custody, execution, administration and valuation to a number of third party service providers. There is a risk that third party service providers may intentionally or unintentionally breach their obligations to the Enlarged Group or provide services below standards that are expected by the Enlarged Group, causing loss to the Enlarged Group.

M. Compensation fee structure

The Manager may receive compensation based on the Enlarged Group's performance. Performance fee arrangements may create an incentive for the Manager to make more speculative or higher risk investments than might otherwise be the case.

N. Regulatory risk

All investments carry the risk that their value may be affected by changes in laws and regulations especially taxation laws. Regulatory risk includes risk associated with variations in the taxation laws of Australia or other jurisdictions in which the Enlarged Group holds investments.

O. Concentration risk

There may be more volatility in the Enlarged Group portfolio as compared to the market generally because the Enlarged Group portfolio will be comprised of a smaller number of securities than the broader market.

4.2. Risk factors specific to the Scheme

A. Conditions not met

The Scheme is subject to a number of Scheme Conditions which are summarised in section 10.8 and set out in full in clause 3.1 of the Scheme Implementation Agreement. At the date of this Scheme Booklet, Century is not aware of any circumstances which would cause the Scheme Conditions not to be satisfied or (if applicable) waived. However, there is a possibility that one or more of the Scheme Conditions will not be met or waived and the Scheme will not proceed as a result.

If the Scheme is not implemented, Transaction Costs in connection with the Scheme of approximately \$205,000 (excluding GST) are to be shared in equal proportions by Century and WAM Leaders, subject to certain circumstances where the costs may be payable in full by either Century or WAM Leaders as set out in sections 5.9 to 5.11.

B. Integration risks and realisation of synergies

The Scheme may deliver cost savings in operating synergies following its implementation. However, it is possible that the integration of Century and WAM Leaders will be more difficult or take more time than currently anticipated, and could delay the realisation of synergy benefits expected to result from the Scheme. The accounting, company secretarial and general administrative expenses are fixed, and are not expected to increase. It is therefore expected that the Enlarged Group should, following transition, realise the benefits of scale. Failure to achieve targeted synergies may have an adverse effect on the operations and financial performance and position of the Enlarged Group and the value of WAM Leaders Shares. Further information about the potential synergies is detailed in section 7.

C. Fluctuation of value of Scheme Consideration

The value of the Scheme Consideration is dependent on the market value of WAM Leaders Shares traded on ASX up until the Calculation Date. The market price of WAM Leaders Shares are subject to fluctuations due to a number of different factors, including but not limited to general economic conditions, movements in the value of underlying assets and the level of their dividends and yields, fluctuations in domestic and international financial markets, movements in domestic interest rates and market expectations. Any fluctuation in price will directly impact the value of the Scheme Consideration to which Scheme Participants will be entitled.

D. Fluctuation of Scheme NTA affecting the Scheme Consideration

The Scheme NTA of Century and WAM Leaders may fluctuate which may affect the number of New WAM Leaders Shares to which Scheme Participants will be entitled.

- A decrease in Century's Scheme NTA per Century Share relative to that of WAM Leaders will result in Scheme Participants being entitled to a smaller number of New WAM Leaders Shares as Scheme Consideration.
- An increase in Century's Scheme NTA per Century Share relative to that of WAM Leaders will result in Scheme Participants being entitled to a larger number of New WAM Leaders Shares as Scheme Consideration.

The table in section 1.5C sets out, for illustrative purposes only, the number of New WAM Leaders Shares to which each Scheme Participant will be entitled if the Scheme becomes

Effective, based on a range of possible Scheme NTA values for each of Century and WAM Leaders.

E. Market price of WAM Leaders Shares may fluctuate due to issue of New WAM Leaders Shares

Some Scheme Participants who receive New WAM Leaders Shares may not wish to retain their shareholding and may sell their New WAM Leaders Shares soon after receiving them. This may have an adverse impact on the market price of WAM Leaders Shares traded on the ASX in the short term.

4.3. Risks specific to the Enlarged Group

The risks that are set out in section 4.1A will also be applicable to the Enlarged Group. Risks specific to an investment in the Enlarged Group include, but are not limited to:

- success of the Enlarged Group is dependent on the performance of its investment portfolio. No guarantee can be given in respect of the future earnings of the Enlarged Group or the Enlarged Group's investment portfolio performance; and
- no guarantee can be provided that the Enlarged Group will be able to meet its investment objectives as this will depend on the extent of the investment portfolio performance.

5. Information on Century

This section 5 provides information on Century.

5.1. Background

Century is a listed investment company. It was admitted to the official list of ASX on 7 April 2004. Century is primarily an investor in equities listed on the Australian stock market. Between September 2010 and 18 April 2017, Century's portfolio was managed by Perennial Value Management. On 18 April 2017 Century Shareholders approved the company pursuing a proposed transaction, involving Century:

- changing its investment manager to MAM Pty Limited (which is a member of the Wilson Asset Management Group);
- offering to buy-back (and subsequent cancelling) of its existing Shares; and
- undertaking an offer of new Shares.

As a result of the above, MAM Pty Limited became the investment manager of Century on 18 April 2017 and Century undertook a buy-back and subsequent offer of new Shares in June 2017.

The investment objectives of Century are to:

- deliver investors a stream of fully franked dividends;
- provide capital growth over the medium-to-long term; and
- preserve capital of the company.

5.2. Investment Strategy

Century aims to provide investors with access to a portfolio predominately comprised of large-cap companies in the S&P/ASX 300 Index and the investment management expertise of Wilson Asset Management. Century provides investors with access to Wilson Asset Management's three distinctive investment processes, as set out below.

A. Research-driven investing

The research-driven investment process that identifies undervalued growth companies through diligent and deep research that focuses on free cash flow, return on equity and the quality of a company. Each company is carefully rated with respect to management, earnings growth potential, valuation and industry position. Under this proprietary process, the investment team will only ever invest in a security once it can identify a catalyst or event that it expects will change the market's valuation of the company.



B. Market-driven investing

This investment process takes advantage of short-term mispricing opportunities in the Australian equity market. Opportunities are derived from initial public offerings, placements, block trades, rights issues, corporate transactions (such as takeovers, mergers, schemes of arrangement, corporate spinoffs and restructures), arbitrage opportunities, short selling and trading market themes and trends.

C. Investment-driven investing

This process requires that each of the characteristics listed below are identified in the investee companies:

- sustainable business model;
- track record of dividends;
- track record of profits and positive free cashflow;
- acceptable financial strength; and
- return on equity.

Once all of the above characteristics have been identified in a company, the timing of its purchase will require patience and a medium-to-long-term investment horizon.

5.3. Century's investment portfolio

As at 31 October 2018, the top 20 holdings (presented in alphabetical order) in the investment portfolio of Century were:

Code	Company	Code	Company
AMC	Ancor Limited	NCM	Newcrest Mining Limited
ALL	Aristocrat Leisure Limited	QBE	QBE Insurance Group Limited
ANZ	Australia and New Zealand Banking Group Limited	RIO	Rio Tinto Limited
BHP	BHP Billiton Limited	TAH	Tabcorp Holdings Limited
CBA	Commonwealth Bank of Australia	TLS	Telstra Corporation Limited
CSL	CSL Limited	SGR	The Star Entertainment Group Limited
IAG	Insurance Australia Group Limited	TWE	Treasury Wine Estates Limited
JHX	James Hardie Industries Plc	WBC	Westpac Banking Corporation
MQG	Macquarie Group Limited	WPL	Woodside Petroleum Limited
NAB	National Australia Bank Limited	WOW	Woolworths Group Limited

5.4. Directors

As at the date of this Scheme Booklet the directors of Century are set out below:

Robert Turner	<i>Non-Executive Director (independent) and Chairman</i> (appointed 10 February 2004)
<i>Experience</i>	Mr Robert Turner was Managing Director of IOOF Holdings Ltd and a Director of a number of IOOF Group subsidiaries for 8 years until April 2004. During this period, IOOF successfully underwent a major strategic change, demutualised and listed on the ASX in December 2003. The success of these programs established IOOF as a leading financial services group. IOOF Perennial won the coveted Morningstar Fund Manager of the year award in 2002. Robert has a strong finance and marketing background and over 30 years of experience in corporate management, both in Australia and overseas. Prior to joining IOOF as Group Managing Director, he held general management positions in the services

	and manufacturing industries. Previous Directorships also included Managing Director of SICPA Australia, Chairman of Emhart Australia and Director of IWL Limited.
<i>Qualifications</i>	B.Com
<i>Other current directorships</i>	Mr Robert Turner has no other current directorship.

Stephen Menzies	<i>Non-Executive Director (independent)</i> (appointed 16 January 2006)
<i>Experience</i>	Stephen Menzies was previously a partner and is now working as a consultant with Ashurst, specialising in securities issues, product development, funds management, corporate finance and new technologies.
<i>Qualifications</i>	B.Econ, LLB, LLM London
<i>Other current directorships</i>	Platinum Asset Management Limited, Freedom Insurance Limited and the Centre for Quantum Computation & Communication Technology.

Ross Finley	<i>Non-Executive Director (independent)</i> (appointed 11 September 2006)
<i>Experience</i>	Ross Finley has over 40 years of experience in the Australian financial markets with a focus on Australian Equities and Australian Property Management. He was employed at Bankers Trust Australia from 1981 to 1996, as an Executive Vice President of the funds management division from 1984, and as a member of the Asset Allocation Committee with prime responsibility for Australian Equities and Property within the wholesale investment area.
<i>Qualifications</i>	B.Com NSW
<i>Other current directorships</i>	Ironbark Capital Limited

Geoffrey Wilson AO	<i>Non-Executive Director</i> (appointed 22 September 2014)
<i>Experience</i>	Geoff has 38 years' direct experience in investment markets having held a variety of senior investment roles in Australia, the UK and the US. Geoff founded the Manager in 1997. Geoff created Australia's first listed philanthropic wealth creation vehicles, Future Generation Investment Company and Future Generation Global Investment Company. Geoff holds a Bachelor of Science, a Graduate Management Qualification and is a Fellow of the Financial Services Institute of Australia and the Australian Institute of Company Directors (AICD).
<i>Qualifications</i>	B Sc GMQ FAICD FFINSIA
<i>Other current directorships</i>	Geoff is currently Chairman of WAM Capital Limited (appointed March 1999), WAM Research Limited (appointed June 2003), WAM Active Limited (appointed July 2007), WAM Leaders Limited (appointed March 2016), WAM Microcap Limited (appointed March 2017), WAM Global Limited (appointed February 2018), Wealth Defender Equities Limited (appointed October 2018) and the Australian Stockbrokers Foundation. He is the founder and a Director of Future Generation Global Investment Company Limited (appointed May 2015) and Future Generation Investment Company Limited (appointed July 2014) and a Director of Australian Leaders Fund Limited (appointed October 2003), Global Value Fund Limited (appointed April 2014), 8IP Emerging Company Limited (appointed April 2018), Hearts and Minds Investments Limited (appointed September 2018), Incubator Capital Limited, Sporting Chance Cancer Foundation, Australian Children's Music Foundation and he is a member of the Second Bite NSW Advisory Committee. He is the founder and Director of investment management companies Wilson Asset Management (International) Pty Limited and MAM Pty Limited.

5.5. Manager

The Manager has been the investment manager for Century since 18 April 2017. It provides Century with day to day management services and investment management services in relation to the funds invested under the Century Management Agreement.

5.6. Century Management Agreement

The investment mandates of Century and WAM Leaders are substantially similar. The key differences are discussed in section 3.5D and the terms of the WAM Leaders Management Agreement are set out in section 6.8. Set out below is a summary of the terms of the investment management agreement between Century and the Manager:

A. Powers of the Manager

Subject to the Corporations Act and the Listing Rules, the Manager has the power necessary to, on behalf of Century, invest money constituted in or available to the Century portfolio, and make, hold, realise and dispose of investments within the Century portfolio.

The Manager has absolute and unfettered discretion to manage the Century portfolio and to do all things considered necessary or desirable in relation to the Century portfolio, including:

- (a) investigation, negotiation, acquisition, or disposal of every investment;
- (b) to sell, realise or deal with all or any of the investments or to vary, convert, exchange or add other investments;

- (c) if any investments are redeemed or the capital paid on it is wholly or partly repaid by the entity by which that investment was created or issued:
 - (i) to convert that investment into some other investment;
 - (ii) to accept repayment of the capital paid or advance on the investment and any other monies payable in connection with that redemption or repayment; or
 - (iii) to re-invest any of those monies,
- (d) retain or sell any shares, debentures or other property received by Century by way of bonus, or in satisfaction of a dividend in respect of any investments or from the amalgamation or reconstruction of any entity; and
- (e) to sell all or some of the rights to subscribe for new securities in an investment, to use all or part of the proceeds of the sale of such rights for the subscription for securities or to subscribe for securities pursuant to those rights.

B. Valuations

The Manager must arrange for calculation of the value of the Century portfolio at least monthly or at such more frequent times as may be agreed between the Manager and Century. All costs incurred by the Manager in arranging this calculation are to be paid by Century.

C. Management Fee

In return for the performance of its duties as Manager of the Century portfolio, the Manager is entitled to be paid monthly a management fee equal to 0.0833334% per month or 1% per annum (plus GST) of the value of the Century portfolio (calculated on the last business day of each month and paid at the end of each month in arrears).

D. Performance Fee

The Manager is entitled to be paid by Century a performance fee equal to 20% (plus GST) of the base amount. The base amount for a performance calculation period is calculated in accordance with the following formula, subject to the recoupment of prior underperformance:

$$BA = (FV - IV) - \left[IV \times \frac{(FI - II)}{II} \right]$$

Where:

- BA** is the base amount to be used in calculating the performance fee outlined above;
- FV** is the value of the Century portfolio, before corporate expenses and taxes, but after payment of management fees, calculated on the last Business Day of the relevant performance calculation period;
- IV** is the value of the Century portfolio, before corporate expenses and taxes, but after payment of management fees, calculated on the last Business Day of the preceding performance calculation period;
- FI** is the level of the S&P/ASX 300 Accumulation Index published by the ASX on the last Business Day of that performance calculation period; and
- II** is the level of the S&P/ASX 300 Accumulation Index published by the ASX on the last Business Day of the preceding performance calculation period.

The **Performance Calculation Period** is:

- (a) in respect of subsequent performance calculation periods, each full 6 month period commencing on 1 July or 1 January (as applicable) and ending on 31 December or 30 June (as applicable); and
- (b) if the term of the Century Management Agreement expires on a day other than 30 June or 31 December, the last performance calculation period is the period from the first day after the preceding performance calculation period and the date of the Century Management Agreement is terminated.

If the amount calculated for BA above is a negative number, no performance fees are payable in respect of that performance calculation period.

Where the amount calculated is a negative, it is to be carried forward to the following performance calculation period(s) until it has been recouped in full against future positive performance. No performance fees will be payable until the full recoupment of prior underperformance.

In calculating the performance fee for a performance calculation period, changes in value of the Century portfolio as a result of the issue of securities, capital reductions or share buybacks undertaken, payment of tax and dividend distributions made by Century will be disregarded or adjusted for in a manner determined by Century's auditor.

For the purpose of this calculation, the value of the Century portfolio is defined in the Century Management Agreement as the aggregate sum of the gross value of each investment less any liability directly or indirectly attributable to the acquisition, maintenance or disposal of any investment or the management and administration of the Century 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).

E. Expenses

Century is liable for and must pay out of the Century portfolio or reimburse the Manager for the fees, costs and expenses provided they were properly incurred in connection with the investment and management of the Century portfolio or the acquisition, disposal or maintenance of any investment or performance of the Manager's obligations under the agreement, including:

- (a) fees payable to any securities exchange, ASIC or other regulatory body; and
- (b) all costs, custody fees, stamp duties, financial institutions duties, bank account debits tax, legal fees and other duties, taxes, fees, disbursements and expenses, commissions and brokerage incurred by Century or the Manager 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 within the Century portfolio;
 - (iv) the engagement of a custodian to hold an investment on behalf of Century;
- (c) outgoings in relation to the Century portfolio such as rates, levies, duties, taxes and insurance premiums; and
- (d) marketing expenses including website and research reports.

Notwithstanding the above, the Manager is solely responsible for payment of the fees of any investment manager engaged by the Manager to assist it in undertaking its duties under the Century Management Agreement.

F. Term of the Century Management Agreement

The term of the Century Management Agreement is for an initial term of five years and is automatically extended for further five year terms. The Century Management Agreement can

be terminated by the Manager at any time after the initial five year term by giving Century six months' notice. If the Scheme is approved, Century and the Manager intend to terminate the Century Management Agreement with effect from the Calculation Date. The termination will not impact accrued management fees and expenses incurred under the Century Management Agreement up to the Calculation Date however no termination fees will otherwise be payable by Century. The Manager will not receive any other benefits in connection with the termination of the Century Management Agreement.

5.7. Century capital structure and ownership

As at the Last Practicable Trading Date, there were a total of 94,268,790 ordinary Century Shares on issue held by approximately 2,804 Century Shareholders. The top 20 Century Shareholders in the Share Register held approximately 24.21% of all issued Century Shares as at the Last Practicable Trading Date. Century does not have any other type of securities on issue.

A. Substantial shareholder

Based on filings released on the ASX, as at the Last Practicable Trading Date, Century does not have any substantial shareholders.

Top 20 Shareholders of Century as at the Last Practicable Trading Date

No	Holder of shares	Number of fully paid ordinary shares held	% of issued ordinary capital
1	SYSHA PTY LTD	4,500,000	4.77
2	LEKK PTY LTD	3,125,000	3.31
3	G W HOLDINGS PTY LTD	2,083,333	2.21
4	JORLYN PTY LTD	2,000,000	2.12
5	MR WARWICK SAUER	1,281,845	1.36
6	MR VICTOR JOHN PLUMMER	1,200,000	1.27
7	LIC INVESTMENTS PTY LTD	1,121,400	1.19
8	GREYBOX HOLDINGS PTY LTD	1,003,788	1.06
9	HALCYCON PTY LTD	715,000	0.76
10	DR PETER SUTHERLAND ANDERSON & MS ELIZABETH MCDOWALL	700,000	0.74
11	ENGLISH FAMILY SUPER FUND PTY LTD	656,250	0.70
12	BT PORTFOLIO SERVICES LIMITED	619,501	0.66
13	SECURITIES & ESTATES PTY LTD	572,916	0.61
14	I & R SIMPSON SUPER PTY LTD	500,000	0.53
15	BT PORTFOLIO SERVICES LIMITED	496,695	0.53
16	R W KIRBY PTY LTD	479,166	0.51
17	DYNASTY PEAK PTY LTD	470,594	0.50
18	SUPENTIAN PTY LIMITED	450,000	0.48
19	JARHAMCHE PTY LTD	434,000	0.46
20	VBW PTY LTD	408,380	0.43
	Total Top 20	22,817,868	24.21

5.8. Century Directors' intentions

If the Scheme becomes effective, Century will become a wholly-owned subsidiary of WAM Leaders and WAM Leaders will appoint its nominees as directors of Century. WAM Leaders will then determine the future direction for Century.

If the Scheme becomes effective, the Century Directors will resign as directors of Century on the Implementation Date. WAM Leaders would then appoint its nominees to the board of Century. Following the implementation of the Scheme, Mr Ross Finley will be invited to take a

seat on the board of WAM Leaders which he intends to take up.

Accordingly, it is not possible for the current Century Directors to provide a statement of their intentions regarding:

- (a) the continuation of the business of Century or how Century's existing business will be conducted;
- (b) any major changes to be made to the business of Century, including any redeployment of the fixed assets of Century; or
- (c) the future employment of the employees of Century, given in this case there are no employees of Century,

in each case, after the Scheme is implemented.

If the Scheme is implemented, WAM Leaders will own all of the Century Shares and will be the ultimate controllers of Century. The Century Directors have been advised that the intentions of WAM Leaders are as set out in section 7.3 of this Scheme Booklet.

If the Scheme is not implemented, the Independent Directors would then consider alternatives, which may include continuing Century in its current form.

5.9. Transaction Costs

All costs associated with the implementing the Scheme, including advisors' expenses, legal expenses, counsel fees and fees of the Independent Expert, but excluding the costs of Century obtaining run-off directors and officers insurance prior to the Implementation Date (which is a separate Century cost to be provisioned for in the calculation of the Century NTA) of approximately \$205,000 (excluding GST) (**Transaction Costs**) are to be shared in equal proportions by Century and WAM Leaders, subject to sections 5.10 and 5.11.

5.10. Century Reimbursement Fee

Century will be liable for all Transaction Costs and indemnify and hold WAM Leaders harmless with respect to any Transaction Costs incurred by WAM Leaders in relation to implementing the Scheme in the event that:

- (a) a majority of the members of the Independent Board Committee have changed, withdrawn or modified their recommendation given by them with respect to the Scheme in the Scheme Booklet;
- (b) a majority of the Board publicly recommends a Competing Transaction that is a Superior Competing Transaction;
- (c) a Century Prescribed Occurrence occurs and WAM validly terminates the Scheme Implementation Agreement in accordance with clause 3.4(b) of that document; or
- (d) WAM Leaders validly terminates the Scheme Implementation Agreement in accordance with Clause 11.1(a) of that document.

5.11. WAM Leaders Reimbursement Fee

WAM Leaders will be liable for all Transaction Costs and indemnify and hold Century harmless with respect to any Transaction Costs incurred by Century in relation to implementing the Scheme in the event that:

- (a) a WAM Leaders Prescribed Occurrence occurs and Century validly terminates the

Scheme Implementation Agreement in accordance with Clause 3.4(b) of that document;
or

- (b) Century validly terminates the Scheme Implementation Agreement in accordance with Clause 11.1(a) of that document.

5.12. Financial overview of Century

This section 5.12 sets out summary historical financial information in relation to Century. This information has been extracted from Century's audited financial statements for the relevant financial years and does not take into account the effects of the Scheme.

You can get a copy of the complete audited financial information in Century's annual reports, available from Century's website at www.centuryaustralia.com.au or the from the ASX website at www.asx.com.au. Shareholders without internet access can obtain copies of these reports by contacting Century.

A. Century's historical financial information

Set out below are Century's statement of financial performance, statement of financial position and statement of cash flows for the financial years ended 30 June 2017 and 30 June 2018. All amounts disclosed are presented in Australian dollars and rounded to the nearest thousand dollars, except earnings per share which are disclosed in cents.

For the full year to 30 June 2018, Century announced an operating profit before tax of \$9.4 million, a 269% increase on the previous year (FY2017: \$2.5 million) and an operating profit after tax of \$7.4 million (FY2017: \$3.6 million). The operating profit for 2018 was reflective of the strong investment portfolio performance over the year and the investment portfolio increased by 14.6% (before expenses, fees and taxes) and outperformed the S&P/ASX 300 Accumulation Index by 1.4%. Since the Manager was appointed on 18 April 2017 to 30 June 2018, Century has returned 12.3% per annum (before expenses, fees and taxes). The Board of Century announced a fully franked final dividend of 2.0 cents per share, payable on 28 September 2018.

(a) Statement of Financial Position

Statement of Financial Position	30 June 2018 \$	30 June 2017 \$
Current assets		
Cash and cash equivalents	17,222,000	20,557,000
Trade and other receivables	1,834,000	582,000
Financial assets	41,999,000	9,144,000
Other assets	70,000	23,000
Total current assets	61,125,000	30,306,000
Non-current assets		
Financial assets	38,482,000	60,243,000
Deferred tax assets	5,693,000	6,032,000
Total non-current assets	44,175,000	66,275,000
Total assets	105,300,000	96,581,000
Current liabilities		
Trade and other payables	1,896,000	1,726,000
Current tax liabilities	492,000	-
Total current liabilities	2,388,000	1,726,000
Non-current liabilities		
Deferred tax liabilities	1,873,000	607,000
Total non-current liabilities	1,873,000	607,000
Total liabilities	4,261,000	2,333,000

Net assets	101,039,000	94,248,000
Equity		
Issued capital	87,343,000	87,303,000
Profits reserve	5,447,000	-
Reserves	9,127,000	7,823,000
Accumulated losses	(878,000)	(878,000)
Total equity	101,039,000	94,248,000

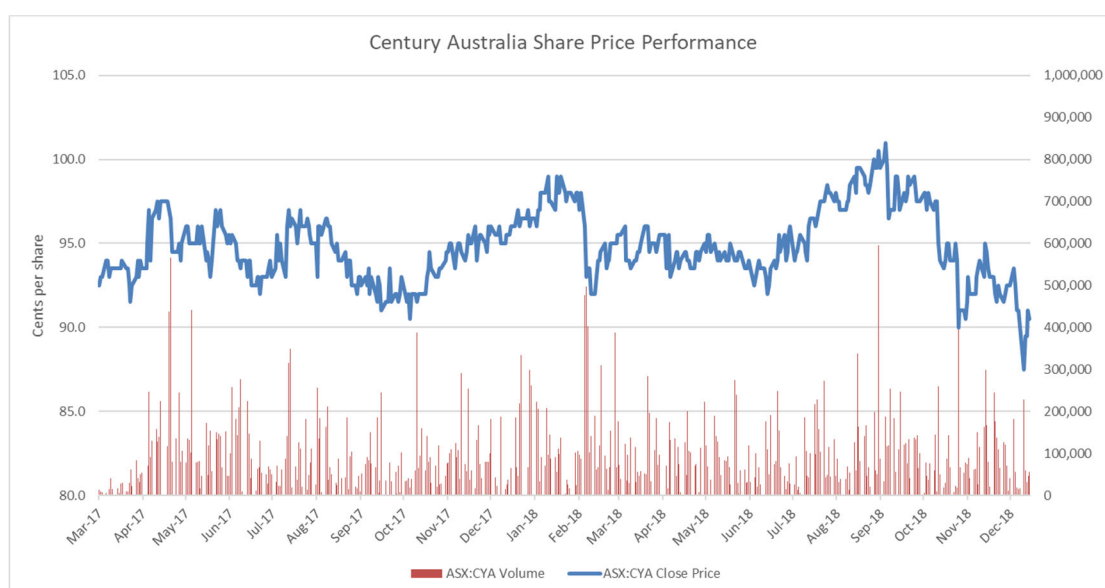
(b) Statement of Financial Performance

Statement of Financial Performance	30 June 2018 \$	30 June 2017 \$
Income		
Interest received	76,000	23,000
Dividend received	3,248,000	3,219,000
Net realised and unrealised gains on financial assets	7,952,000	197,000
Sundry income	39,000	-
	11,315,000	3,439,000
Expenses		
Management fees	(964,000)	(422,000)
Performance fees	(216,000)	-
Brokerage expenses	(199,000)	(18,000)
Accounting fees	(56,000)	(62,000)
Share registry fees	(72,000)	(47,000)
Secretarial fees	(30,000)	-
Custodian fees	(49,000)	(72,000)
Legal fees	(3,000)	(1,000)
Directors' fees	(119,000)	(115,000)
ASX fees	(51,000)	(46,000)
Audit fees	(54,000)	(48,000)
Other expenses	(89,000)	(59,000)
	(1,902,000)	(890,000)
Profit / (loss) before income tax	9,413,000	2,549,000
Income tax (expense)/benefit	(1,996,000)	1,049,000
Profit / (loss) after income tax attributable to members of the Company	7,417,000	3,598,000
Other comprehensive income		
Other comprehensive income for the year, net of tax	1,304,000	5,180,000
Total comprehensive income / (loss) for the year	8,721,000	8,778,000
Basic and diluted earnings / (loss) per share	7.87 cents	4.35 cents

(c) Statement of Cash Flows

Statement of Cash Flows	30 June 2018 \$	30 June 2017 \$
Cash flows from operating activities		
Proceeds from sale of investments held for trading	115,783,000	138,000
Payments for purchase of investments held for trading	(139,338,000)	(7,717,000)
Interest received	69,000	17,000
Dividends received	3,232,000	3,335,000
Other income received	39,000	-
Investment expenses paid	(729,000)	(824,000)
Performance fees paid	(216,000)	-
Management fees paid	(969,000)	-
Net cash used in operating activities	(22,129,000)	(5,051,000)
Cash flows from investing activities		
Payments for purchase of financial assets at fair value through other comprehensive income	(1,470,000)	(100,726,000)
Proceeds from sale of financial assets at fair value through other comprehensive income	22,266,000	115,532,000
Net cash provided by/(used in) investing activities	20,796,000	14,806,000
Cash flows from financing activities		
Proceeds from capital raising	-	50,113,000
Shares bought back	-	(37,334,000)
Share issue and buy-back transaction costs	(32,000)	(1,418,000)
Dividends paid	(1,970,000)	(3,520,000)
Net cash provided by/(used in) financing activities	(2,002,000)	7,841,000
Net increase/(decrease) in cash and cash equivalents held	(3,335,000)	17,596,000
Cash and cash equivalents at beginning of financial year	20,557,000	2,961,000
Cash and cash equivalents at end of financial year	17,222,000	20,557,000

5.13. Century's recent share price performance



Source: IRESS

5.14. Profit reserve and franking credits

As at 31 October 2018, Century had a profit reserve balance of \$4,579,741 and a capital profits reserve balance of \$9,192,142. Century had a franking deficit balance of \$(32,532) as at 31 October 2018, before the payment of \$491,954 in relation to the current tax liability for the year ended 30 June 2018. The above balances are after the payment of a final fully franked dividend of 2.0 cents per share paid on 28 September 2018.

5.15. Century's dividend history

The table below sets out Century's dividend history over the last five years:

Financial Year Period	Type	Amount (per Share)	Record Date	Date Payable	Franked %
2H 2018	Final	2.00 cents	7 September 2018	28 September 2018	100%
1H 2018	Interim	2.09 cents	7 March 2018	28 March 2018	100%
2017	Special	2.7 cents	24 April 2017	10 May 2017	100%
2H 2016	Final	1.6 cents	16 September 2016	30 September 2016	100%
1H 2016	Interim	1.9 cents	22 February 2016	7 March 2016	100%
2H 2015	Final	1.75 cents	14 September 2015	30 September 2015	100%
2H 2014	Final	2.00 cents	12 September 2014	30 September 2014	100%
2H 2013	Final	1.45 cents	3 September 2013	17 September 2013	100%
1H 2013	Interim	1.4 cents	6 March 2013	20 March 2013	100%
2H 2012	Final	1.4 cents	1 August 2012	15 August 2012	100%
1H 2012	Interim	1.3 cents	2 March 2012	16 March 2012	100%
2011	Special	6.2 cents	10 December 2010	9 February 2011	100%

5.16. Century's tax losses

As at 31 October 2018, Century had deferred tax assets on carry forward realised losses of approximately 5.8 cents per Share in its accounts. In addition to the deferred tax assets of approximately 5.8 cents per Share recorded in the accounts, there is a further \$1.9 million or 2.1 cents per share of tax benefits on realised capital losses that is not carried in Century's statement of financial position and is available to be offset against future taxation liabilities. Tax losses have been recognised on the basis that it is deemed probable that the tax losses can be utilised within a time period of 5 to 7 years. Century's ability to use these assets will depend upon whether it satisfies certain tests prescribed by tax legislation at the time of utilisation of the losses. While Century as a standalone entity currently expects that it will be able to satisfy the relevant tests, this is unable to be determined at the date of this Scheme Booklet as it will depend upon future matters. There is a risk that the deferred tax assets may not be available at a future time for use by Century irrespective of whether the Scheme becomes Effective.

The fact that Century is currently not liable to pay tax on a portion of its investment portfolio means that the level of franked dividends paid is primarily dependent on the payment of tax on taxable gains derived from Century's trading portfolio and the level of franking credits received by way of fully franked dividend income. Once the total carry forward losses are utilised, Century will return to paying tax on any taxable gains for the entire investment portfolio. Tax payments generate additional franking credits for Century Shareholders from which franked dividends can be paid.

Due to the expanded asset base of the Enlarged Group, Century's deferred tax assets on a per share basis would be an immaterial asset of the Enlarged Group. It is currently uncertain if the deferred tax assets would be available for utilisation by the Enlarged Group in the future. As part of the Scheme, the acquisition of Century by WAM Leaders is likely to lead to uncertainty in relation to the Continuity of Ownership Test (**COT**) under the Income Tax Assessment Act 1997 (**ITAA 1997**), which is the current basis relied upon by Century in recognising and carrying forward the historical tax losses. Should COT not be satisfied, the Enlarged Group would need to assess the carried forward losses under the Same Business Test (**SBT**). When making the SBT assessment, it is important to note that the assessment is considered from the start of each loss year dating back to 2009 (**Testing Period**) in order to meet the requirements. SBT details the notion of identity and not merely similarity; a sense of the identical business when determining 'the same business' under the SBT assessment. . It is not sufficient that a very similar business has been carried on during the Testing Period. Also, it is not sufficient that the business of Century carried on during the Testing Period meets some 'industry wide definition' of an 'investment manager' business; nor would it be sufficient for there to be mere continuance of Century's operations from immediately before the Scheme into the recoupment year, if Century had so changed that it could no longer be described as the same business during the periods when the capital losses were incurred.

As a result of the above, the deferred tax assets of Century have not been included as part of the formula to determine the Scheme Consideration for Century Shareholders.

5.17. Further information

Century is subject to regular reporting and disclosure obligations under the ASX Listing Rules and as a "disclosing entity" under the Corporations Act. These require Century to announce information that would have a material effect on the price of Century Shares as soon as it becomes aware of the information, subject to exceptions for certain confidential information.

Century's recent announcements are available from its website at www.centuryaustralia.com.au or from the ASX website www.asx.com.au. Century will continue to make public announcements as required on these websites after the date of this Scheme Booklet.

Century is required to prepare and lodge with ASIC and ASX both annual and half year financial

statements accompanied by a statement and report from Century's Directors and an audit or review report. Century also lodges quarterly activity reports with ASX.

Copies of these and other documents lodged with ASIC and ASX may be obtained from or inspected at an ASIC office and are accessible from ASX's website at www.asx.com.au. Copies of these documents will also be made available free of charge on a request in writing at any time before the Scheme Meeting to the Registry.

6. Information on WAM Leaders

If the Scheme is implemented, WAM Leaders will operate the Century business and be responsible for Century's portfolio. The information concerning WAM Leaders and the intentions, views and opinions contained in this Section 6 are the responsibility of WAM Leaders and remain accurate as at the date of the Scheme Booklet.

6.1. Background

WAM Leaders is a listed investment company managed by the Manager, a member of the Wilson Asset Management Group. Listed in May 2016, WAM Leaders provides investors with diversified exposure to a portfolio of undervalued growth companies predominately within the S&P/ASX 200 Index.

The investment objectives of WAM Leaders are to:

- (a) deliver investors a stream of fully franked dividends;
- (b) provide capital growth over the medium-to-long term; and
- (c) preserve capital.

WAM Leaders aims to maximise total investor returns with a combination of capital growth and income, allowing fully franked dividends to be paid to investors provided WAM Leaders has sufficient profit reserves and franking credits available and it is within prudent business practices to do so.

The above is not intended to be a forecast. It is merely an investment objective of WAM Leaders. WAM Leaders may not be successful in meeting these objectives.

A key objective of WAM Leaders is to outperform the S&P/ASX 200 Accumulation Index by growing the investment portfolio at a greater rate, which is called outperformance. The performance of the investment portfolio and the S&P/ASX 200 Accumulation Index are measured before expenses, fees and taxes. The performance of the investment portfolio as at 31 October 2018 is set out below:

Performance at 31 October 2018	1 yr	Since inception %pa (May-16)
WAM Leaders Investment Portfolio*	5.4%	9.6%
S&P/ASX 200 Accumulation Index	2.9%	7.8%
Outperformance	+2.5%	+1.8%

*Investment performance and Index returns are before expenses, fees and taxes.

6.2. Investment philosophy

The investment philosophy of WAM Leaders follows these broad principles:

- (a) focus on the S&P/ASX 200 Index: The universe of potential investments for WAM Leaders is focused on large-cap companies included in the S&P/ASX 200 Index, however it may invest in all securities quoted on the ASX or other exchanges, hold cash, and invest in the other permitted investments (see section 6.5 for further information). Notwithstanding the broad universe of permitted investments, the WAM Leaders portfolio is predominantly comprised of long positions in large-cap companies included in the S&P/ASX 200 Index and cash;

- (b) preference for undervalued companies: WAM Leaders' preference is to invest in entities where the securities are trading below the Manager's valuation and are the subject of a catalyst that, in the Manager's view, has not yet been factored into the value of the entity and is likely to change the market's valuation of that entity over time;
- (c) portfolio based and index unaware investing: WAM Leaders' priority is to undertake investments on a portfolio basis. The Manager will be index and benchmark unaware when selecting investments. While all investments are considered on a case-by-case basis, WAM Leaders usually refrains from taking a majority position in investee entities. This assists WAM Leaders in diversifying its investments and reducing its exposure to abnormal falls in the market price of any single investment. WAM Leaders seeks to manage investment risk by spreading investments over a range of companies and industry sectors; and
- (d) capital preservation: capital preservation is a key investment objective. WAM Leaders holds cash unless it can identify appropriate investment opportunities. This can lead to high levels of cash in the WAM Leaders portfolio from time-to-time. To ensure capital preservation, WAM Leaders also holds bills of exchange or negotiable instruments from time-to-time.

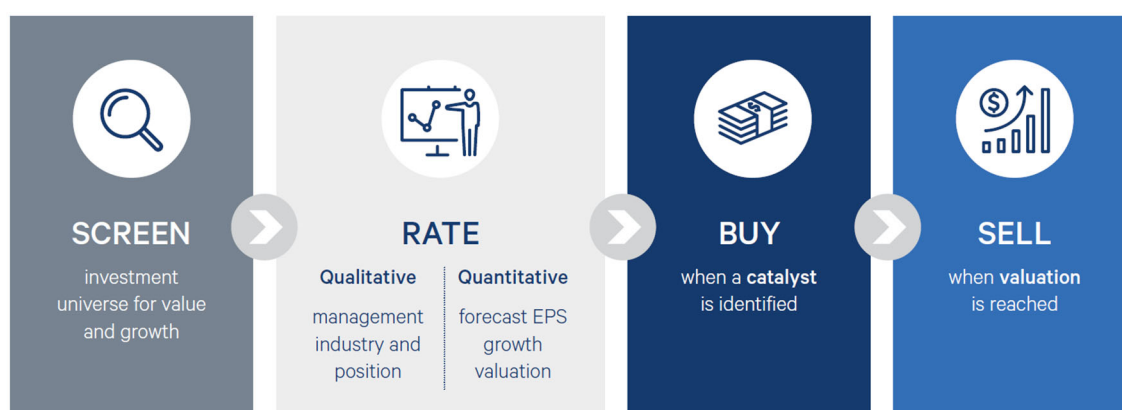
WAM Leaders provides investors with access to the Manager's two distinctive investment processes:

- a research-driven process focused on identifying undervalued growth companies; and
- a market-driven process that takes advantage of mispricing opportunities.

6.3. Investment Strategy

A. Research driven investing

The research-driven investment process involves diligent and deep research that focuses on free cash flow, return on equity and the quality of a company. The investment universe is filtered to remove companies that do not demonstrate growth and value characteristics. Each remaining company is then carefully rated with respect to management, earnings growth potential, valuation and industry position. This process is summarised in the below illustration:



The research-driven investment process potentially provides investors with exposure to undervalued growth companies. The research-driven investment process is also centred on extensive company research, including meeting with senior executives of the potential investee companies.

The Manager will only invest in a security identified by its research-driven investment process if it can identify a catalyst that, in the Manager's view, has not yet been factored into the value of that security and is likely to change the market's valuation of that security (**Catalyst**). A Catalyst can be information or news about the equity investment that the Manager believes will have an impact on the valuation of the investment.

The Manager will assess the potential effect and likelihood of a Catalyst impacting an entity, including whether the Catalyst could drive that entity's share price up or down. Potential Catalysts include:

- events, for example, earnings surprises, management changes, acquisitions or strategy updates; and
- liquidity events, for example, as a result of a share issue or sell down by an existing holder.

An example of a research-driven investment opportunity is an investment in a company experiencing increased demand for its goods or services in circumstances where the Manager has identified shortages in supply across the market as a Catalyst that it considers has the potential to create a large growth opportunity for the company.

In this example, the research-driven investment process could generate returns if, after taking a stake in the company, the Catalyst identified by the Manager (i.e. the shortages in supply across the market) does in fact result in the company experiencing continued growth, multiple profit upgrades (which in turn increases its capacity to meet increased demand), leading to an increase in the company's share price.

This investment process could result in a loss if the Catalyst does not increase the share price as the Manager had expected. As a result, the example company's share price could decrease due to regulatory change that causes a material increase to its cost of production, resulting in a profit downgrade.

B. Market driven investing

The market-driven investment process takes advantage of short-term mispricing opportunities in the Australian equity market, rather than investing in any individual companies or a portfolio of companies for a prolonged period of time.

Investment opportunities may be derived from:

- (a) taking part in placements, initial public offerings (**IPOs**), block trades and rights issues;
- (b) trading securities based on market themes and trends. Themes or trends are used to screen and identify trading opportunities. Once an opportunity has been identified, the Manager will undertake detailed research into the security before taking a position. Research may include meeting with the company, sell-side analysts and industry contacts as well as modelling of the relevant company's earnings drivers, sensitivities and operating leverage;
- (c) participating in financial transactions (such as takeovers, mergers, schemes of arrangements, corporate spin-offs and restructuring). Once a financial transaction opportunity is identified, detailed research is undertaken to assess the terms and conditions of the announced transaction and the liquidity of the underlying securities, to determine if the financial transactions presents a favourable risk/reward opportunity. By way of example, company B (**Bidder**) announces an intention to make a takeover offer (**Offer**) of company (**Target**). The Manager, following detailed research, forms the view that the proposed Offer is likely to cause the Target's share price to increase and the Bidder's share price to decrease. To take advantage of the transaction in this example, the Manager could buy the Target's securities and short sell the Bidder's securities;
- (d) taking advantage of other corporate transactions to identify arbitrage opportunities. This may include participation in share buy-backs. For example, if a company announces an off-market share buy-back and the company's share price is trading below the price announced in the buy-back this could generate an arbitrage opportunity. The Manager would make a return by buying shares below the buy-back price and then subsequently selling those shares into the buy-back at a higher price than they were purchased for;
- (e) taking advantage of arbitrage opportunities involving hybrid securities including preference shares and convertible notes. For example, the Manager may purchase

hybrid securities that are approaching their conversion or repayment date. This strategy is utilised if the Manager believes there is a high probability that the securities will be repaid or converted in accordance with their terms and at a premium to the market price at the time of purchase;

- (f) buying securities in Listed investment companies, where they trade at a significant discount to underlying net assets. This is known as listed investment company discount arbitrage. For example, the Manager may purchase shares in other listed investment companies when they are trading at a significant discount to their net tangible assets and the Manager believes that in the future the share price or performance could improve or the discount to NTA could reduce over time;
- (g) participating in hybrid issues and convertible notes issues. For example, the Manager may participate in new issues of hybrids or convertible notes if the Manager believes the relevant securities are mispriced and could lead to a profit upon listing, or if the yield on the securities more than compensates for the risk involved in investing in the securities; and
- (h) short selling. For example, the Manager may participate in short selling if the Manager believes a security is mispriced and there is likely to be decline in the company's share price. This strategy would normally be applied with analysis undertaken around a market theme or trend as detailed above.

Once an investment opportunity has been identified, the Manager will undertake a detailed assessment in order to identify any perceived mispricing in the relevant securities. The Manager will then analyse risk and return potential and liquidity. Similar to its research-driven investment process, the Manager will, in most cases, seek to identify a Catalyst before investing in a security identified by its market-driven investment process.

An example of a market-driven investment opportunity is an investment in a company through a share placement to sophisticated and professional investors undertaken at a discount to the prevailing share price. In this example the placement is not available to retail investors and would allow WAM Leaders to purchase shares at a discount to where they are currently trading in the market.

The Manager may become aware of opportunities, like the placement example, through its relationship with stock brokers. It will then undertake a detailed analysis of the relevant company and the proposed placement terms, including assessing the amount of capital being raised compared to the free float, the size of the discount to the current share price, the use of funds and the liquidity of the underlying security.

In this example, the market-driven investment process could generate returns if after the placement shares are allotted, the Manager sells them at a higher price than what they were purchased at under the placement. The example investment would result in a loss if, after the allotment of the placement shares, the company's share price falls, and stays below, the price at which the shares were purchased in the placement.

An example of themes or trends that could be used in the market-driven investment process are companies benefiting from increasing demand from overseas buyers for infant formula, vitamins and cosmetics, companies benefiting from a falling Australian dollar or companies that may benefit from media deregulation. In these examples if the theme or trend continued it would have the potential to lead to increases in company revenues or reduction in cost base leading to profit upgrades, increased sell-side coverage and interest in the stock or sector or increased demand from other investors leading to share price appreciation.

In this example, the market-driven investment process could generate returns if, after taking a stake in the company, the theme identified continued to play out leading to the share price increasing for the reasons specified above. The investment would result in a loss if the market theme or trend stopped occurring, i.e. demand from overseas buyers for infant formula, vitamins and cosmetics decreased, the Australia dollar stopped falling and started appreciating or media de-regulation was delayed or cancelled.

6.4. Portfolio management

The number of investments in the WAM Leaders portfolio and the level of cash holdings vary as new opportunities are identified and then sold when the investment's value has been recognised by the market. If the Manager cannot identify acceptable risk/return prospects using its investment processes, it will hold cash until the right opportunity is identified.

The average net cash position held by WAM Leaders since inception to 31 October 2018 is 22.9%.

6.5. Permitted investments

The Manager is permitted to undertake investments on behalf of WAM Leaders in accordance with the WAM Leaders Management Agreement. If proposed investments are not in accordance with the WAM Leaders Management Agreement, WAM Leaders Board approval is required. The Manager may invest in:

- (a) Australia and international securities;
- (b) bills of exchange, negotiable instruments and debentures; and
- (c) cash.

6.6. Directors

The WAM Leaders Board, as at the date of this Scheme Booklet is set out below:

Geoff Wilson AO	<i>Chairman – non-independent</i> (since March 2016)
<i>Experience and expertise</i>	Geoff has 38 years' direct experience in investment markets having held a variety of senior investment roles in Australia, the UK and the US. Geoff founded the Manager in 1997. Geoff created Australia's first listed philanthropic wealth creation vehicles, Future Generation Investment Company and Future Generation Global Investment Company. Geoff holds a Bachelor of Science, a Graduate Management Qualification and is a Fellow of the Financial Services Institute of Australia and the Australian Institute of Company Directors (AICD).
<i>Other directorships</i>	Geoff is currently Chairman of WAM Capital Limited (appointed March 1999), WAM Research Limited (appointed June 2003), WAM Active Limited (appointed July 2007), WAM Microcap Limited (appointed March 2017), WAM Global Limited (appointed February 2018), Wealth Defender Equities Limited (appointed October 2018) and the Australian Stockbrokers Foundation. He is the founder and a Director of Future Generation Global Investment Company Limited (appointed May 2015) and Future Generation Investment Company Limited (appointed July 2014) and a Director of Australian Leaders Fund Limited (appointed October 2003), Global Value Fund Limited (appointed April 2014), Century Australia Investments Limited (appointed September 2014), 8IP Emerging Company Limited (appointed April 2018), Hearts and Minds Investments Limited (appointed September 2018), Incubator Capital Limited, Sporting Chance Cancer Foundation, Australian Children's Music Foundation and he is a member of the Second Bite NSW

	Advisory Committee. He is the founder and Director of investment management companies Wilson Asset Management (International) Pty Limited and MAM Pty Limited.
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Lindsay Mann	<i>Director – independent (since March 2016)</i>
<i>Experience and expertise</i>	Lindsay Mann has more than 40 years' financial experience. He was formerly Chairman of Premium Investors Pty Limited (formerly Premium Investors Limited). Prior to that Lindsay was CEO (Singapore) and Regional Head Asia for First State Investments, the Asian business of Colonial First State Global Asset Management. Prior to this, Lindsay was CEO of AXA Investment Managers in Hong Kong. He is a Fellow of the Institute of Actuaries of Australia and a Graduate member of the AICD.
<i>Other directorships</i>	Lindsay Mann is currently an independent non-executive director of UCA Funds Management Limited, an independent Director of WAM Capital Limited (appointed December 2012) and a non-executive director of Wealth Defender Equities Limited.

Melinda Snowden	<i>Director – independent (since March 2016)</i>
<i>Experience and expertise</i>	Melinda Snowden's qualifications and accreditations include: Bachelor of Economics and Bachelor of Laws, Graduate Diploma in Applied Finance and Investment, Graduate of the AICD and Fellow of FINSIA. Melinda was an investment banker with Grant Samuel, Merrill Lynch and Goldman Sachs in Australia and New York, with 24 years' experience in financial markets. Melinda was a non-executive Director of MLC Limited, the wealth management division of NAB and a number of its associated boards between 2009 and 2014 and is a former non-executive Director of Vita Group Limited, an ASX listed electronics and telecommunications retailer (between 2008 and 2011).
<i>Other directorships</i>	Melinda Snowden is an advisory board member of Hardtofind.com.au Pty Ltd and is a Director of Sandon Capital Investments Limited and Mercer Investments (Australia) Limited.

Kate Thorley	<i>Director – non-independent (since March 2016)</i>
<i>Experience and expertise</i>	Kate Thorley has over 15 years' experience in the funds management industry and more than 20 years of financial accounting and corporate governance experience. Kate is the CEO of Wilson Asset Management (International) Pty Limited, Director of

	WAM Capital Limited, WAM Active Limited, WAM Research Limited, WAM Microcap Limited, WAM Global Limited and Future Generation Investment Company Limited. Kate is the company secretary of Future Generation Global Investment Company Limited. She holds a Bachelor of Commerce, a Graduate Diploma in Applied Finance and Investment, Graduate Diploma of Applied Corporate Governance and is a fully qualified CA. She is a member of the Australian Institute of Company Directors
<i>Other directorships</i>	Kate Thorley is a Director of WAM Active Limited (appointed July 2014), WAM Research Limited (appointed August 2014), Future Generation Investment Company Limited (appointed April 2015), WAM Capital Limited (appointed August 2016), WAM Microcap Limited (appointed March 2017) and WAM Global Limited (appointed February 2018).

6.7. Investment manager

Established in 1997 by Geoff Wilson AO, Wilson Asset Management is an independently owned investment manager based in Sydney, Australia. Today, Wilson Asset Management employs 33 staff. The investment team comprises 11 highly experienced professionals with more than 140 years of combined investment experience and a total focus on managing money.

WAM Leaders has an investment management agreement with the Manager, a member of the Wilson Asset Management Group. For WAM Leaders shareholders, that means an experienced team working on your behalf to achieve your investment aims. The Manager was established in 2002, holds an Australian Financial Services Licence (AFSL) 223231 and forms part of Wilson Asset Management.

Wilson Asset Management operates a funds management business which employs a number of portfolio managers, research analysts, accountants and other administrative staff. The duties that the Manager performs in addition to managing the WAM Leaders portfolio include the provision of financial and administrative support to ensure the maintenance of the corporate and statutory records of WAM Leaders, liaison with the ASX with respect to compliance with the ASX Listing Rules, liaison with ASIC with respect to compliance with the Corporations Act, liaison with the share registrar of WAM Leaders, investor relations and the provision of information necessary for the maintenance of financial accounts of WAM Leaders to be completed.

Wilson Asset Management takes great pride in managing seven LICs and more than \$3 billion in shareholder capital on behalf of almost 80,000 retail investors. Wilson Asset Management created and continues to support Future Generation Investment Company Limited and Future Generation Global Investment Company Limited, the only companies to provide:

- Shareholders with exposure to the best Australian and global fund managers without paying management or performance fees;
- Charities with a consistent and growing stream of annual donations; and
- Fund managers with a unique opportunity to make a positive difference to Australia's future generations.

Investing with Wilson Asset Management provides the following benefits:

Risk-adjusted returns. Wilson Asset Management is focused on delivering strong returns while taking the least risk possible to protect shareholders' capital. Our flexible mandate allows for above average cash holdings.

Deep diversification. Listed investment companies managed by Wilson Asset Management hold small positions in many companies, providing shareholders with access to highly diversified portfolios.

Experienced experts. Wilson Asset Management's investment team has a total focus on protecting and growing shareholder capital and is informed by more than 140 years of combined equity market experience.

Full market access. Wilson Asset Management's investment team hold more than 2,500 company meetings each year, that coupled with their extensive network in the market, provides insight, intelligence and opportunities.

Transparency. Wilson Asset Management values shareholder engagement and its LICs adhere to strict corporate governance requirements.

Shareholder advocacy. Wilson Asset Management regularly and actively engages in public debate on behalf of self-managed superannuation funds and retail investors.

A positive impact to the community. Wilson Asset Management is passionate about making a difference to the broader community.

6.8. WAM Leaders Management Agreement

Set out below is a summary of the terms of the investment management agreement between WAM Leaders and the Manager:

A. Powers of the Manager

Subject to the Corporations Act, the Listing Rules and any written guidelines issued by WAM Leaders, the Manager has the power necessary to, on behalf of WAM Leaders, invest money constituted in or available to the WAM Leaders portfolio, and make, hold, realise and dispose of investments within the WAM Leaders portfolio. Any investment outside of the written guidelines of the WAM Leaders Board requires WAM Leaders Board approval.

Subject to an obligation to liquidate the WAM Leaders portfolio to meet WAM Leaders' operating costs, dividend payments, capital returns, buybacks or other distributions the Manager has absolute and unfettered discretion to manage the WAM Leaders portfolio and to do all things considered necessary or desirable in relation to the WAM Leaders portfolio, including

- (a) investigation, negotiation, acquisition, or disposal of every investment;
- (b) to sell, realise or deal with all or any of the investments or to vary, convert, exchange or add other investments;
- (c) if any investments are redeemed or the capital paid on it is wholly or partly repaid by the entity by which that investment was created or issued:
 - (i) to convert that investment into some other investment;
 - (ii) to accept repayment of the capital paid or advance on the investment and any other monies payable in connection with that redemption or repayment;
 - (iii) to re-invest any of those monies,
- (d) retain or sell any shares, debentures or other property received by WAM Leaders by way of bonus, or in satisfaction of a dividend in respect of any investments or from the amalgamation or reconstruction of any entity; and
- (e) to sell all or some of the rights to subscribe for new securities in an investment, to use all or part of the proceeds of the sale of such rights for the subscription for securities or to subscribe for securities pursuant to those rights.

B. Valuations

The Manager must arrange for calculation of the value of the WAM Leaders portfolio at least monthly or at such more frequent times as may be agreed between the Manager and WAM Leaders. All costs incurred by the Manager in arranging this calculation are to be paid by WAM

Leaders.

C. Management Fee

In return for the performance of its duties as Manager of the WAM Leaders portfolio, the Manager is entitled to be paid monthly a Management Fee equal to 0.0833334% per month or 1% per annum (plus GST) of the value of the WAM Leaders portfolio (calculated on the last business day of each month and paid at the end of each month in arrears) (**Management Fee**).

D. Performance Fee

The Manager is entitled to be paid by WAM Leaders a fee (**Performance Fee**) equal to 20% (plus GST) of the base amount (**BA**). BA for a Performance Calculation Period is calculated in accordance with the following formula, subject to the recoupment of prior underperformance:

$$BA = (FV - IV) - \left[IV \times \frac{(FI - II)}{II} \right]$$

Where:

- BA** is the base amount to be used in calculating the Performance Fee outlined above;
- FV** is the value of the WAM Leaders portfolio, before corporate expenses and taxes, but after payment of Management Fees, calculated on the last Business Day of the relevant Performance Calculation Period;
- IV** is the value of the WAM Leaders portfolio, before corporate expenses and taxes, but after payment of Management Fees, calculated on the last Business Day of the preceding Performance Calculation Period;
- FI** is the level of the S&P/ASX 200 Accumulation Index published by the ASX on the last Business Day of that Performance Calculation Period; and
- II** is the level of the S&P/ASX 200 Accumulation Index published by the ASX on the last Business Day of the preceding performance calculation period.

The **Performance Calculation Period** is:

- (a) each full 12 month period commencing on 1 July and ending on 30 June of the succeeding year; and
- (b) if the term of the WAM Leaders Management Agreement 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 and the date of the WAM Leaders Management Agreement is terminated.

If the amount calculated for BA above is a negative number, no Performance Fee is payable in respect of that Performance Calculation Period.

Where the amount calculated is a negative, it is to be carried forward to the following Performance Calculation Period(s) until it has been recouped in full against future positive performance. No performance fees will be payable until the full recoupment of prior underperformance.

In calculating the Performance Fee for a Performance Calculation Period, changes in value of the WAM Leaders Portfolio as a result of the issue of securities, capital reductions or share buybacks undertaken, payment of tax and dividend distributions made by WAM Leaders will be disregarded or adjusted for in a manner determined by WAM Leaders' auditor at the conclusion of that Performance Calculation Period.

For the purpose of this calculation, the value of the WAM Leaders portfolio is defined in the WAM Leaders Management Agreement as the aggregate sum of the gross value of each investment less any liability directly or indirectly attributable to the acquisition, maintenance or disposal of any investment or the management and administration of the WAM Leaders 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 year ended 30 June 2018, a performance fee of \$3,561,265 (inclusive of GST) was paid to the Manager. The prior period underperformance of \$1,107,390 (inclusive of GST) was recouped in full in the 2018 financial year.

E. Expenses

WAM Leaders is liable for and must pay out of the WAM Leaders portfolio or reimburse the Manager for the fees, costs and expenses approved by the WAM Leaders Board provided they were properly incurred in connection with the investment and management of the WAM Leaders portfolio or the acquisition, disposal or maintenance of any investment, including:

- (a) fees payable to any securities exchange, ASIC or other regulatory body; and
- (b) all costs, custody fees, stamp duties, financial institutions duties, bank account debits tax, legal fees and other duties, taxes, fees, disbursements and expenses, commissions and brokerage incurred by WAM Leaders or the Manager 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 within the WAM Leaders portfolio;
 - (iv) the engagement of a custodian to hold an investment on behalf of WAM Leaders;
 - (v) outgoings in relation to the WAM Leaders portfolio such as rates, levies, duties, taxes and insurance premiums.
- (c) marketing expenses including website and research reports.

Notwithstanding the above, the Manager is solely responsible for payment of the fees of any investment manager engaged by the Manager to assist it in undertaking its duties under the WAM Leaders Management Agreement.

F. Term of WAM Leaders Management Agreement

The term of the WAM Leaders Management Agreement is currently 10 years, with automatic five year extensions, unless terminated earlier in accordance with the Investment Management Agreement. WAM Leaders applied to the ASX and was granted a waiver to extend its initial term from 5 to 10 years with automatic extensions of five year periods unless terminated earlier in accordance with the WAM Leaders Management Agreement.

6.9. Investment portfolio as at 31 October 2018

As at 31 October 2018, the top 20 holdings (presented in alphabetical order) in the investment portfolio of WAM Leaders were:

Code	Company	Code	Company
ALL	Aristocrat Leisure Limited	NCM	Newcrest Mining Limited
ANZ	Australia and New Zealand Banking Group Limited	OSH	Oil Search Limited
BHP	BHP Billiton Limited	QBE	QBE Insurance Group Limited
CBA	Commonwealth Bank of Australia	RIO	Rio Tinto Limited
CSL	CSL Limited	S32	South32 Limited

FMG	Fortescue Metals Group Limited	TAH	Tabcorp Holdings Limited
IAG	Insurance Australia Group Limited	TLS	Telstra Corporation Limited
JHX	James Hardie Industries Plc	SGR	The Star Entertainment Group Limited
MQG	Macquarie Group Limited	WBC	Westpac Banking Corporation
NAB	National Australia Bank Limited	WPL	Woodside Petroleum Limited

6.10. WAM Leaders capital structure and ownership

As at the Last Practicable Trading Date there are a total of 704,135,905 WAM Leaders Shares on issue held by approximately 15,812 shareholders. The top 20 WAM Leaders shareholders in the share register held approximately 11.064% of all issued WAM Leaders Shares as at 23 November 2018.

A. WAM Leaders substantial holders

As at the Last Practicable Trading Date, WAM Leaders had no substantial shareholders.

B. Top 20 Shareholders of WAM Leaders as at 23 November 2018

Holder of Security	Number of fully paid ordinary shares held	% of issued ordinary capital
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	12,258,764	1.741%
NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	7,825,320	1.111%
AUSTRALIAN INVESTORS PTY LTD	7,520,546	1.068%
NAVIGATOR AUSTRALIA LTD <MLC INVESTMENT SETT A/C>	6,035,175	0.857%
UBS NOMINEES PTY LTD	4,710,000	0.669%
MR VICTOR JOHN PLUMMER	4,400,000	0.625%
CORPORATE HOLDINGS PTY LTD <AVOCA SUPER FUND A/C>	4,180,302	0.594%
PINEROSS PTY LTD	4,032,031	0.573%
IOOF INVESTMENT MANAGEMENT LIMITED <IPS SUPER A/C>	3,867,361	0.549%
DCM BLUELAKE PARTNERS PTY LTD	3,100,000	0.440%
BNP PARIBAS NOMINEES PTY LTD	2,807,298	0.399%
MR ROBERT JAMES WATSON & MRS LESLA LYLE TOWNEND <THE WATSON INVESTMENT A/C>	2,182,000	0.310%
NETWEALTH INVESTMENTS LIMITED <SUPER SERVICES A/C>	2,116,374	0.301%
TAKITA EXPLORATION PTY LIMITED	1,967,000	0.279%

LEKK PTY LTD <HILTON GORDON FAMILY A/C>	1,960,000	0.278%
EASTCOTE PTY LTD <VAN LIESHOUT FAMILY A/C>	1,850,000	0.263%
CAMELIA PTY LTD <THE GILHAM SUPER FUND A/C>	1,818,182	0.258%
PINEROSS PTY LTD <PINEROSS A/C>	1,792,657	0.255%
RESTHAVEN INCORPORATED	1,764,022	0.251%
CITICORP NOMINEES PTY LIMITED	1,718,377	0.244%
Total Securities of Top 20 Holdings	77,905,409	11.064%

6.11. Financial overview of WAM Leaders

This section 6.11 sets out summary historical information in relation to WAM Leaders. This information has been extracted from WAM Leaders' audited financial statements for the relevant financial periods and does not take into account the effects of the Scheme.

A copy of the complete audited financial information in WAM Leaders' annual reports is available from the WAM Leaders' website at www.wilsonassetmanagement.com.au/lic/wam-leaders/. Shareholders without internet access can obtain these reports by contacting WAM Leaders.

A. WAM Leaders' historical income statements

Set out below are WAM Leaders' statement of financial performance, statement of financial position and statement of cash flows for the periods ended 30 June 2018 and 30 June 2017. All amounts disclosed are presented in Australian dollars and rounded to the nearest dollar, except earnings per share which is disclosed in cents.

In 2018, WAM Leaders achieved strong growth as assets grew by \$384.5 million to \$864.2 million. WAM Leaders recorded a record pre-tax profit of \$100.5 million and paid tax of \$10.6 million and dividends of \$29.9 million (net of reinvestment) during the period. The growth in assets was achieved through the strong performance of the WAM Leaders portfolio, which increased 17.8% for the year and the successful option capital raising which raised \$320.5 million in the 12 months to 30 June 2018. The increase in the WAM Leaders portfolio was achieved with an average 86.0% invested in equities, with the WAM Leaders portfolio outperforming the S&P/ASX 200 Accumulation Index by 4.8%, with less volatility than the Index. Since inception to 30 June 2018, the WAM Leaders portfolio recorded a standard deviation of 6.9% against the market's 8.4%. The return on the equity portion of the WAM Leaders portfolio was 20.4% and the return on the cash portion of the WAM Leaders portfolio was 2.0% for the year.

WAM Leaders declared a fully franked full year dividend of 5.0 cents per share, an increase of 66.7% on the previous year, with the fully franked final dividend being 2.5 cents per share.

(a) Statement of Financial Performance

Statement of Financial Performance	30 June 2018 \$	1 March 2016 to 30 June 2017 \$
Net realised and unrealised gains on financial assets	93,244,093	35,696,426
Other revenue from operating activities	21,753,410	12,508,534
Management fees	(7,527,090)	(4,794,283)
Performance fees	(3,318,452)	-
Directors fees	(90,000)	(98,607)

Brokerage expense on share purchases	(2,880,276)	(2,620,931)
Expenses paid on borrowed stock	-	(712,843)
Custody fees	(65,039)	(34,372)
ASX listing and chess fees	(135,651)	(155,208)
Share registry fees	(182,424)	(235,959)
Disbursements, mailing and printing	(94,823)	(53,660)
Legal and professional fees	(4,146)	(3,442)
Other expenses from ordinary activities	(237,114)	(207,463)
Profit before income tax	100,462,488	39,288,192
Income tax expense	(25,902,109)	(10,110,317)
Profit after income tax attributable to members of the Company	74,560,379	29,177,875
Other comprehensive income		
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	74,560,379	29,177,875
Basic earnings per share	12.49 cents	9.49 cents
Diluted earnings per share	12.49 cents	9.23 cents

(b) Statement of Financial Position

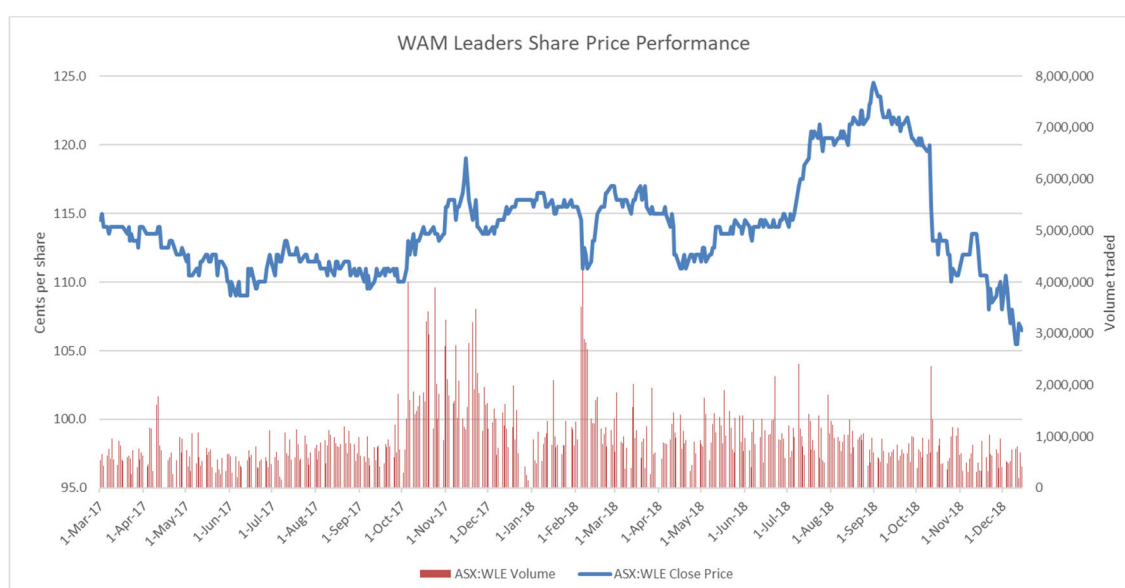
Statement of Financial Position	30 June 2018	30 June 2017
	\$	\$
Current assets		
Cash and cash equivalents	119,611,538	102,572,734
Trade and other receivables	15,125,631	17,189,044
Financial assets	749,237,871	371,441,579
Total current assets	883,975,040	491,203,357
Non-current assets		
Deferred tax assets	895,577	1,335,664
Total non-current assets	895,577	1,335,664
Total assets	884,870,617	492,539,021
Current liabilities		
Trade and other payables	4,565,951	538,219
Financial liabilities	19,799,680	11,545,617
Current tax liabilities	7,006,351	5,782,559
Total current liabilities	31,371,982	17,866,395
Non-current liabilities		
Deferred tax liabilities	17,041,833	3,451,988
Total non-current liabilities	17,041,833	3,451,988
Total liabilities	48,413,815	21,318,383
Net assets	836,456,802	471,220,638
Equity		
Issued capital	768,405,765	446,140,575
Profits reserve	68,621,380	25,650,406
Accumulated losses	(570,343)	(570,343)
Total equity	836,456,802	471,220,638

¹WAM Leaders successfully raised \$377,307,969 during the term of an option issue, which expired on 17 November 2017. A total of 343,007,236 options (95.7%) were exercised, with the remaining options expiring. The options were issued as part of the Replacement Prospectus dated 18 April 2016 with WAM Leaders Shareholders who subscribed for WAM Leaders Share under the WAM Leader's initial public offering being issued with one option for each WAM Leaders Share they purchased.

(c) Statement of Cash Flows

Statement of Cash Flows	30 June 2018 \$	1 March 2016 to 30 June 2017 \$
Cash flows from operating activities		
Proceeds from sale of investments	1,718,608,389	1,623,584,126
Payments for purchase of investments	(1,989,876,879)	(1,963,673,804)
Dividends received	16,133,531	7,690,254
Interest received	2,050,416	2,882,378
Other investment income received	1,037,716	727,252
Management fee (GST inclusive)	(7,725,707)	(4,705,550)
Brokerage expense on share purchases (GST inclusive)	(3,091,000)	(2,812,169)
Payments for administration expenses (GST inclusive)	(799,074)	(1,838,530)
Income tax paid	(10,648,385)	-
GST on brokerage expense on share sales	(201,751)	(148,268)
Net GST received from ATO	875,763	1,035,716
Net cash used in operating activities	(273,636,981)	(337,258,595)
Cash flows from financing activities		
Shares issued via initial public offering and on incorporation	-	394,309,936
Shares issued via exercise of options	320,525,829	56,782,140
Dividends paid – net of reinvestment	(29,850,044)	(3,889,303)
Share issue costs	-	(7,371,444)
Net cash provided by financing activities	290,675,785	439,831,329
Net increase in cash and cash equivalents held	17,038,804	102,572,734
Cash and cash equivalents at beginning of financial year	102,572,734	-
Cash and cash equivalents at end of financial year	119,611,538	102,572,734
Non-cash transactions:		
Shares issued via dividend reinvestment plan	1,739,361	208,509

6.12. WAM Leaders' recent share price performance



Source: IRESS

6.13. Profit reserve and franking credits

As at 31 October 2018, WAM Leaders had a profits reserve balance of \$58,334,714 and a franking credit balance of \$7,014,555, including current tax payable by WAM Leaders and franking credits receivable. The profit reserve balance provides WAM Leaders with the capacity to frank additional dividends up to an amount of approximately 8.3 cents per WAM Leaders Share as at 31 October 2018. The above balances are after the payment of the final fully franked dividend of 2.5 cents per share paid on 26 October 2018.

6.14. Dividend policy

The WAM Leaders Board has a clear dividend policy which has been in place since its inception in May 2016. The WAM Leaders Board is committed to paying an increasing stream of fully franked dividends to shareholders, provided WAM Leaders has sufficient profit reserves and franking credits and it is within prudent business practices. WAM Leaders' ability to generate franking credits is dependent upon the receipt of franked dividends from investments and the payment of tax.

The table below sets out WAM Leaders' dividends declared and paid since its initial listing to 31 October 2018.

Cents per share	Type	% Franked	Date payable	DPR Price
2.5	Final 2018	100%	17 October 2018	\$1.12810
2.5	Interim 2018	100%	1 April 2018	\$1.11520
2.0	Final 2017	100%	5 December 2017	\$1.13820
1.0	Interim 2017	100%	28 April 2017	\$1.12420

6.15. Further information

As a company listed on the ASX and a "disclosing entity" under the Corporations Act, WAM Leaders is subject to regular reporting and disclosure obligations which require it to announce

price sensitive information as soon as it becomes aware of that information. WAM Leaders' most recent announcements are available from its website at www.wilsonassetmanagement.com.au/lic/wam-leaders/ and on the ASX website www.asx.com.au. Further announcements concerning WAM Leaders will continue to be made available on these websites after the date of this Scheme Booklet.

The ASX maintains publicly available information about entities listed on their exchange. Information about WAM Leaders is available for inspection at the ASX during normal business hours and is available from their website www.asx.com.au.

WAM Leaders is required to lodge various documents with ASIC. Copies of documents lodged with ASIC by WAM Leaders may be obtained from, or inspected at ASIC offices.

WAM Leaders will provide a copy of any of the following documents free of charge to any person who requests a copy

- WAM Leaders' Annual Financial Report for the period ended 30 June 2018; and
- any continuous disclosure notices given by the body after lodgement of WAM Leaders' Annual Financial Report for the period ended 30 June 2018.

7. Information about the Enlarged Group

If the Scheme becomes Effective, all of Century Shares will be transferred to WAM Leaders and Century will become a wholly owned subsidiary of WAM Leaders. This section provides information about the Enlarged Group.

7.1. The Enlarged Group

If the Scheme is implemented, Century will become a wholly owned subsidiary of WAM Leaders. The Scheme will create a single listed investment company structure with a larger capital and shareholder base under the same investment manager. It is expected that Century Shareholders will have an investment in the Enlarged Group which will deliver the following benefits:

- (a) increased net assets of approximately over \$885 million and more than 18,000 shareholders, expected to deliver shareholders access to greater on-market liquidity;
- (b) the continued proven investment strategy of the Manager, providing investors with diversified exposure to a portfolio of undervalued growth companies predominately within the S&P/ASX 200 Index;
- (c) a reduced management expense ratio as a result of the removal of duplicated expenses between the two companies as well as a larger pool of assets to spread the expenses across;
- (d) a share price expected to trade closer to the Enlarged Group's pre-tax NTA as a result of the Enlarged Group's increased on market liquidity; and
- (e) WAM Leader's dividend policy and history of paying a growing stream of fully franked dividends to shareholders.

In addition, any costs currently incurred by Century and duplicated by WAM Leaders are expected to be eliminated or reduced. Duplicated costs which the boards of Century and WAM Leaders expect to be reduced once the Scheme is implemented include, but are not limited to:

- fees and expenses otherwise payable under the Century Management Agreement;
- directors' and company secretarial fees;
- audit and tax fees;
- share registry fees;
- stock exchange listing fees; and
- general and operating expenses.

The cost savings relate principally to the cessation of Century operating as a separately listed entity and, therefore, a reduction in the costs of compliance and ongoing operating costs.

As per the Century Statement of Comprehensive Income for the year ended 30 June 2018, Century paid \$89,000 in relation to services management, accounting, legal and compliance, and a further \$123,000 in ASX and share registry costs, and \$119,000 in directors fees to the current Century Board.

These cost savings coupled with the increased size of the portfolio are expected to lead to a reduction in the management expense ratio of the Enlarged Group.

It is anticipated that if the Scheme is implemented, the transaction costs of the Scheme will be in the order of \$205,000 (excluding GST).

7.2. Board and management of the Enlarged Group

If the Scheme is implemented, Mr. Ross Finley (Century Independent Director) will be invited to join the WAM Leaders Board to ensure continuity for Century Shareholders as part of the Enlarged Group. The Board of WAM Leaders would then comprise:

- Geoff Wilson AO
- Kate Thorley
- Melinda Snowden
- Lindsay Mann
- Ross Finley

The Manager will continue as the investment manager of the Enlarged Group and there will be no substantive changes to the existing management arrangements already in place.

7.3. WAM Leaders' intentions for the Enlarged Group

The statements set out in this section 7.3 are statements of current intentions only which may change as new information becomes available or circumstances change. Decisions will only be reached after implementation when all material facts and circumstances are known to the board of the Enlarged Group.

Geoff Wilson, the Chairman of WAM Leaders, will act as Chairman of the Enlarged Group.

Century and the Manager intend to terminate the Century Management Agreement with effect from the Calculation Date. The termination will not impact accrued management fees, performance fees (where applicable) and expenses incurred under the Century Management Agreement up to the Calculation Date, however no termination fees will otherwise be payable by Century.

Notwithstanding the above the Manager, part of the Wilson Asset Management Group, will remain as the investment manager for the Century assets in accordance with the arrangements described in section 6.8, by continuing to be the investment manager for the Enlarged Group.

If the Scheme is approved, the board of the Enlarged Group will consider as soon as practicable issues such as whether WAM Leaders will form a tax consolidated group with Century and the management of the assets held within Century. Although the WAM Leaders Board expects that all the assets of the Enlarged Group will be managed in a similar way to those of WAM Leaders, the board of the Enlarged Group will only be able to make definitive decisions once it has all the necessary information available to it and upon implementation of the Scheme.

7.4. Employees

Century and WAM Leaders have no employees.

7.5. Dividend policy

The WAM Leaders Board has a clear dividend policy which has been in place since its inception in May 2016. The WAM Leaders Board is committed to paying an increasing stream of fully franked dividends to shareholders, provided the Enlarged Group has sufficient profit reserves and franking credits and it is within prudent business practices. The Enlarged Group's ability to generate franking credits is dependent upon the receipt of franked dividends from investments and the payment of tax.

7.6. Prospects for the Enlarged Group

The operation and financial performance of Century and WAM Leaders (as stand-alone entities) within the Enlarged Group are subject to various risks, some of which are summarised in this Scheme Booklet and which may be beyond the control of the Enlarged Group. As a result, the actual results of the Enlarged Group's operations, earnings and investment portfolio performance following implementation of the Scheme and the actual advantages of the Scheme may differ from those that are anticipated or may not be achieved.

WAM Leaders has given careful consideration as to whether a reasonable basis exists to produce reliable and meaningful forecast financial information on the Enlarged Group. The WAM Leaders Board has concluded that providing forecast financial information would be misleading. A reasonable basis does not exist for producing forecasts that would be sufficiently meaningful and reliable, particularly considering the effect that variations in key inputs may have on future earnings performance.

The Enlarged Group will continue to pursue investment activities – primarily investing in equities listed on the ASX – to achieve its stated objectives.

The future performance of the Enlarged Group is dependent on the performance of its investment portfolio. In turn, the performance of these investments is impacted by investee company-specific factors and prevailing industry conditions. In addition, a range of external factors including economic growth rates, interest rates, exchange rates and macro-economic conditions impact the overall equity market and these investments. As such, the WAM Leaders Board does not believe it is possible or appropriate to predict the future performance of the Enlarged Group's investments and, therefore, its performance.

7.7. Unaudited Pro forma financial information

(a) Unaudited pro forma statement of financial position

Set out below is the unaudited pro forma statement of financial position of WAM Leaders after the implementation of the Scheme prepared on the basis that the implementation of the Scheme had occurred as at 30 June 2018. The pro forma financial information is to be read in conjunction with the accompanying notes to and forming part of the pro forma statement of financial position as set out in this section.

All amounts disclosed are presented in Australian dollars and are rounded to the nearest dollar.

(b) Pro-forma Enlarged Group Statement of Financial Position

Unaudited Pro Forma Statement of Financial Position As at 30 June 2018	Note	WAM Leaders \$	Pro Forma Adjustments \$	Enlarged Group \$
Current assets				
Cash and cash equivalents		119,611,538	-	119,611,538
Trade and other receivables		15,125,631	-	15,125,631
Financial assets		749,237,871	-	749,237,871
Financial assets - investment in controlled entity at FVTPL	1	-	97,711,000	97,711,000

Total current assets		883,975,040	97,711,000	981,686,040
Non-current assets				
Deferred tax assets		895,577		895,577
Total non-current assets		895,577	-	895,577
Total assets		884,870,617	97,711,000	982,581,617
Current liabilities				
Trade and other payables		4,565,951	-	4,565,951
Financial liabilities		19,799,680	-	19,799,680
Current tax liabilities		7,006,351	-	7,006,351
Total current liabilities		31,371,982	-	31,371,982
Non-current liabilities				
Deferred tax liabilities	2	17,041,833	1,734,023	18,775,855
Total non-current liabilities		17,041,833	1,734,023	18,775,855
Total liabilities		48,413,815	1,734,023	50,147,837
Net assets		836,456,802	95,976,977	932,433,780
Equity				
Issued capital	3	768,405,765	91,930,924	860,336,689
Profits reserve	4	68,621,380	4,046,053	72,667,433
Accumulated losses		(570,343)	-	(570,343)
Total equity		836,456,802	95,976,977	932,433,779

(c) **Notes to and forming part of the historical financial information**

Note 1: Financial assets – investment in controlled entity at FVTPL

As at 30 June 2018	WAM Leaders \$	Pro Forma Adjustments \$	Enlarged Group \$
Financial assets – investment in controlled entity at FVTPL	-	97,711,000	97,711,000

Forming part of the pro forma adjustments to the 30 June 2018 statement of financial position for WAM Leaders is the recognition of the investment in Century, assuming WAM Leaders acquires 100% of Century as part of the implementation of the Scheme. The value of Century has been recognised utilising the audited pre-tax NTA of Century as at 30 June 2018 (from the Century Annual Report) for the purposes of the pro forma financial information, set out below:

Value of investment in controlled entity at FVTPL	
Century 30 June 2018 Net Assets	\$101,039,000
Add: Deferred tax liabilities	\$1,873,000
Add: Current tax liabilities	\$492,000
Less: Deferred tax assets	(\$5,693,000)
Century pre-tax NTA	\$97,711,000

Source: Century's audited 2018 Annual Financial Report.

Note 2: Deferred tax liabilities

As at 30 June 2018	WAM Leaders \$	Pro Forma Adjustments \$	Enlarged Group \$
Deferred tax liabilities	17,041,833	1,734,023	18,775,855

In reference to the fair value gain on acquisition of a controlled entity as part of the pro forma adjustments (see Note 5 for further information), the tax effect of the transaction is recognised for the Enlarged Group as part of the recognition of the investment in Century, assuming that WAM Leaders acquires 100% of Century as part of the Scheme.

Adjustments in relation to the tax effect of Century joining WAM Leaders' tax consolidated group upon completion the Scheme, assuming WAM Leaders acquires 100% of Century, are not able to be determined at this time and have not been considered as part of the pro forma adjustments.

Note 3 Issued capital

As at 30 June 2018	WAM Leaders \$	Pro Forma Adjustments \$	Enlarged Group \$
Issued capital	768,405,765	91,930,924	860,336,689

Forming part of the pro forma adjustments to the 30 June 2018 statement of financial position for WAM Leaders is the issue of New WAM Leaders shares to Century Shareholders in accordance with the terms of the Scheme, as set out below:

Transaction details As at 30 June 2018	
<i>Scheme Formula</i>	
Century pre-tax NTA as at 30 June 2018	\$1.0348 / share
WAM Leaders pre-tax NTA as at 30 June 2018	\$1.2203 / share
Scheme Formula (example only)	0.848
No. of Century Shares on issue – as at 30 June 2018	94,268,790
New WAM Leaders Shares to be issued	79,939,934
Scrip value (WAM Leaders Shares) - as at 30 June 2018	\$1.15 / share
Total Scheme Consideration value	\$91,930,924

Note 4 Profits reserve

As at 30 June 2018	WAM Leaders \$	Pro Forma Adjustments \$	Enlarged Group \$
Profits reserve	68,621,380	4,046,053	72,667,433

The difference between the value of the New WAM Leaders Shares issued as part of the Scheme Consideration and the identifiable pre-tax NTA of Century is recognised through the statement of financial performance and resulting equity reserves of WAM Leaders. Assuming the implementation of the Scheme as at 30 June 2018, the breakdown of the accounting recognition is set out below:

Transaction details As at 30 June 2018	
Value of New WAM Leaders Shares (see Note 3) – as at 30 June 2018	\$91,930,924
Identifiable pre-tax NTA of Century (see Note 1) - as at 30 June 2018	\$97,711,000
Total fair value gain on acquisition of a controlled entity	\$5,780,076
Less: taxation expense, at 30%	(\$1,734,023)
Total fair value gain on acquisition, after tax	\$4,046,053

(d) Summary of Information

The information included in this Section 7 is unaudited pro forma financial information for the Enlarged Group comprising of WAM Leaders and Century as at 30 June 2018 on the basis that the implementation of the Scheme had occurred as at 30 June 2018 and adjusted for transaction costs relating to the Scheme.

The unaudited pro forma combined statement of financial position of the Enlarged Group as at 30 June 2018 (Pro Forma Statement of Financial Position) presented above has been produced with reference to the audited financial report for WAM Leaders as at 30 June 2018 and the audited financial report for Century as at that date. The financial information reflects the latest publicly available information for Century that is capable of being compared.

The WAM Leaders Board has assessed the requirements of AASB 2013-5 Amendments to Australian Accounting Standards – Investment Entities and have applied the criteria set out in that standard to the operations of WAM Leaders. WAM Leaders is therefore considered to be

an investment entity and as a result, the investment in Century (being a wholly owned entity of the WAM Leaders) would not be consolidated into the financial statements of WAM Leaders, but rather is accounted for as a financial asset at fair value through profit and loss (**FVTPL**). After acquisition, subsequent movements in the fair value of the identifiable net assets of the controlled entity are recoded as fair value gains or losses through the statement of financial performance.

The pro forma financial information does not represent what the Enlarged Group would look like on a combined consolidated basis, since it is not possible to produce this information from publicly available information and due to the accounting policies of WAM Leaders. No adjustments for potential synergy benefits have been included as the exact timing and amount of those benefits cannot be reliably estimated. However, the Pro Forma Statement of Financial Position does reflect the issue of New WAM Leaders Shares to Century Shareholders, and other adjustments required as a result of the Scheme.

The Pro Forma Statement of Financial Position is for illustrative purposes only and is based on numerous assumptions that may or may not reflect the actual financial position of the Enlarged Group after completion of the Scheme. In addition, the Pro Forma Statement of Financial Position is presented in a summary format and therefore does not contain all the disclosures required under the Corporations Act.

Financial information relating to Century has been sourced from its publicly available information. WAM Leaders has relied on the information in the monthly investment update and NTA reports of Century as well as audited financial reports issued by Century to prepare the financial information contained in this document.

WAM Leaders does not, except as required by law, make any representation or warranty, express or implied, as to the accuracy or completeness of this information. WAM Leaders has not been able to independently verify any of the financial information relating to Century used in this document, for providing pro forma financial information.

The pro forma financial information presented in this section should also be read in conjunction with the risks set out in section 4, other information contained in this Scheme Booklet, and the accounting policies of WAM Leaders and Century as disclosed in their most recent audited financial reports.

The accounting policies of WAM Leaders and Century are not considered materially different. The significant accounting policies adopted in the preparation of the historical financial information are disclosed in WAM Leaders' audited Annual Report for the financial year ended 30 June 2018.

8. Information about the New WAM Leaders Shares

This section provides you with information about the New WAM Leaders Shares.

8.1. ASX listing

WAM Leaders will apply for official quotation on the ASX of all New WAM Leaders Shares (ASX:WLE) that will be issued as Scheme Consideration.

New WAM Leaders Shares will rank equally with all existing WAM Leaders Shares.

Transaction confirmation statements will be dispatched within 5 Business Days of the Implementation Date.

8.2. New WAM Leaders Shares

This section summarises the key provisions of WAM Leaders' company constitution (**WAM Leaders Constitution**) in relation to rights attaching to WAM Leaders Shares, and which will apply to the New WAM Leaders Shares. This summary does not purport to be exhaustive or constitute a definitive statement of the rights and liabilities attaching to WAM Leaders Shares.

Full details of the rights attaching to WAM Leaders Shares are set out in the WAM Leaders Constitution, which can be obtained through ASIC or from the WAM Leaders company secretary.

A. Voting

At a general meeting of WAM Leaders on a show of hands, every member present in person or by proxy, attorney or representative has one vote and upon a poll, every member present in person, or by proxy, attorney or representative has one vote for every WAM Leaders Share held.

B. Dividends

The New WAM Leaders Shares will rank equally with all other issued WAM Leaders Shares and will participate in WAM Leaders dividends declared by WAM Leaders. Subject to the rights of holders of WAM Leaders Shares of any special preferential or qualified rights attaching to them, dividends may be paid to the holders of WAM Leaders Shares in proportion to the amounts paid up on the WAM Leaders Shares at the date of declaration of the dividend. The directors may pay WAM Leaders Shareholders any final or interim dividends as in their judgment the position of WAM Leaders justifies.

C. Winding up

WAM Leaders Shareholders holding WAM Leaders Shares have no further liability to make payments to WAM Leaders in the event of WAM Leaders being wound up.

D. Transfer of securities

Generally, WAM Leaders Shares are freely transferable, subject to satisfying the usual requirements of security transfers on the ASX. The directors of WAM Leaders may decline to register any transfer of WAM Leaders Shares, but only where permitted to do so under the WAM Leaders Constitution, the Corporations Act or the ASX Listing Rules.

E. Sale of non-marketable holdings

WAM Leaders may take steps in respect of non-marketable holdings of WAM Leaders Shares to effect an orderly sale of those WAM Leaders Shares in the event that holders do not take steps to retain their holdings.

WAM Leaders may only take steps to eliminate non-marketable holdings in accordance with the WAM Leaders Constitution and the Listing Rules.

F. Future increases, alteration and reduction of capital

The allotment and issue of securities is under the control of the WAM Leaders Board. Subject to restrictions on the allotment of securities to related parties, the ASX Listing Rules, the WAM Leaders Constitution and the Corporations Act, the WAM Leaders Board may allot, issue or otherwise dispose of new securities on such terms and conditions as they decide.

WAM Leaders at a general meeting may convert securities into a larger or smaller number of securities, and subject to the Corporations Act and the Listing Rules, WAM Leaders may reduce its share capital and buy-back WAM Leaders Shares.

G. Variation of rights

WAM Leaders may only modify or vary the rights attaching to any class of WAM Leaders Shares with the consent in writing of the holders of at least 75% of the issued WAM Leaders Shares of the class or sanction of a special resolution passed at a meeting of the holders of the issued WAM Leaders Shares of that class.

8.3. Recent price of WAM Leaders Shares

The latest recorded sale price for WAM Leaders Shares on the Last Practicable Trading Date was \$1.065 per share.

The highest and lowest recorded sale price for WAM Leaders Shares during the three months immediately before the Last Practicable Trading Date was \$1.22 and \$1.045 respectively.

The sale price for the WAM Leaders Shares immediately before announcement of the Scheme on 13 November 2018 was \$1.135 per share.

9. Taxation considerations

This section 9 provides a general overview of the Australian income tax, goods and services tax and stamp duty consequences for you if the Scheme proceeds.

The overview provided in this section 9 does not take into account your specific circumstances and is not intended to be exhaustive, or a substitute for, or to constitute, specific taxation advice.

This section 9 is based on Australian income tax legislation, public taxation rulings, determinations and administrative practice as at the date of this Scheme Booklet.

The application of the taxation legislation may vary according to your individual circumstances. As such, you are advised to obtain professional taxation advice that takes into account your specific circumstances before deciding how to vote in relation to the Scheme.

9.1. Introduction

The Scheme will, if implemented, result in the disposal by Century Shareholders, of their Century Shares in consideration for their New WAM Leaders Shares.

9.2. Australia income tax implications

A. Disposal of Century Shares – Australian tax residents

(a) Capital gains tax (CGT) event

The disposal of Century Shares by Century Shareholders will result in CGT event A1 being triggered for Australian CGT purposes.

A capital gain will be derived to the extent that the 'capital proceeds' from the disposal exceed the 'cost base' of the Century Shares.

The 'capital proceeds' will be the New WAM Leaders Shares received as Scheme Consideration and the 'cost base' will include the cost of acquisition of the Century Shares as well as incidental costs of acquisition and disposal that are not otherwise deductible to Century Shareholders.

The date of disposal of the Century Shares for CGT purposes will be the Implementation Date.

(b) CGT discount

Australian resident Century Shareholders who are individuals, complying superannuation entities or trusts may be entitled to reduce the amount of any capital gain made on the disposal of their Century Shares if they have held their Century Shares for at least 12 months prior to the Implementation Date (excluding the acquisition date and the Implementation Date). This is referred to as the 'CGT discount'.

Where available, the CGT discount is applied only after available capital losses have been applied to reduce the gross capital gain.

The discount rate is 50% for individuals and trusts, and 33.3% for complying superannuation entities. The ultimate availability of the discount for a trust may depend on a beneficiary's entitlement to the discount.

B. Disposal of Century Shares – Foreign Residents

For a Century Shareholder who is a Foreign Resident and who does not hold their Century Shares in carrying on a business through a permanent establishment in Australia, the disposal

of Century Shares will generally only result in Australian capital gains tax implications if, in broad terms:

- the Century Shareholder together with their associates held an interest of 10% or more in Century at the time of the disposal or for a 12 month period within two years preceding the disposal; and
- more than 50% of the market value of Century's assets is attributable to direct or indirect 'taxable Australian real property'.

A non-resident individual Century Shareholder who has previously been an Australian tax resident and chose to disregard their capital gain or loss in respect of their Century Shares on ceasing to be an Australian tax resident will be subject to Australian CGT consequences on the disposal of their Century Shares.

C. Scrip for Scrip roll-over relief

(a) Eligibility for scrip for scrip roll-over relief

Century Shareholders who dispose of their Century Shares for WAM Leaders Shares and make a capital gain may be eligible to elect scrip for scrip roll-over relief where WAM Leaders becomes the owner of 80% or more of Century. If the Scheme becomes Effective, WAM Leaders will acquire 100% of Century and Century Shareholders will be eligible to elect for scrip for scrip roll-over relief.

(b) Income tax consequences of choosing scrip for scrip roll-over

(i) *Capital gains consequences*

Where scrip for scrip roll-over is chosen, any capital gain that would otherwise be derived by a Century Shareholder is disregarded for income tax purposes. The gain is deferred until a future CGT event occurs in respect of the WAM Leaders Shares.

(ii) *Cost base or reduced cost base consequences*

Where scrip for scrip roll-over is chosen, the cost base of the Century Shareholders original interests held in Century will become the cost base of the WAM Leaders Shares.

(c) Income tax consequences if scrip for scrip roll-over is not, or cannot, be chosen

Where scrip for scrip roll-over is not, or cannot, be chosen, the income tax consequences as outlined in Section 9.2A should arise.

9.3. Stamp duty

No stamp duty should be payable in any Australian jurisdiction by Century Shareholders in respect of the disposal of their Century Shares.

9.4. GST

Century Shareholders should not be liable to pay GST in respect of the disposal of their Century Shares under the Scheme.

Century Shareholders may incur GST on costs (e.g. third-party brokerage and advisor fees) that relate to the Scheme. Century Shareholders that are registered, or required to be registered, may not be entitled to full input tax credits for any GST payable on such costs but may be entitled to 'reduced input tax credits' for some acquisitions. This will depend on each Shareholders specific circumstances and you should receive your own independent advice.

9.5. Implications to Australian tax residents of holding WAM Leaders Shares

A. Receipt of dividends

If WAM Leaders pays a dividend on WAM Leaders Shares, this payment will be considered assessable income of Australian resident shareholders.

A dividend may or may not have franking credits attached to it. If a dividend includes a franking credit, that franking credit will need to be included in the assessable income of the shareholder and a franking credit offset may be available.

Shareholders are encouraged to seek their own independent advice regarding the taxation implications that may apply to them in respect of any dividends received in relation to WAM Leaders Shares, taking into account their specific circumstances.

B. Disposal of New WAM Leaders Shares

Capital gains tax (CGT) event

The disposal of WAM Leaders Shares by an Australian resident shareholder will result in CGT event A1 being triggered for Australian CGT purposes.

A capital gain will be derived to the extent that the 'capital proceeds' from the disposal exceed the 'cost base' of the WAM Leaders Shares.

The 'capital proceeds' will be the consideration received in respect of their WAM Leaders Shares and the 'cost base' will include the cost of acquisition of the WAM Leaders Shares as well as incidental costs of acquisition and disposal that are not otherwise deductible to the shareholders.

The date of disposal of the WAM Leaders Shares for CGT purposes will be the Date they dispose of the Shares.

CGT discount

Australian resident shareholders who are individuals, complying superannuation entities or trusts may be entitled to reduce the amount of any capital gain made on the disposal of their WAM Leaders Shares if they have held their WAM Leaders Shares for at least 12 months prior to the disposal date (excluding the acquisition date and the disposal date). This is referred to as the 'CGT discount'.

Where available, the CGT discount is applied only after available capital losses have been applied to reduce the gross capital gain.

The discount rate is 50% for individuals and trusts, and 33.3% for complying superannuation entities. The ultimate availability of the discount for a trust may depend on a beneficiary's entitlement to the discount.

Disposal of New WAM Leaders Shares – Foreign Resident

For a shareholder who is a Foreign Resident and who does not hold their WAM Leaders Shares in carrying on a business through a permanent establishment in Australia, the disposal of WAM Leaders Shares will generally only result in Australian CGT implications if, in broad terms:

- the WAM Leaders Shareholder together with their associates held an interest of 10% or more in WAM Leaders at the time of the disposal or for a 12 month period within two years preceding the disposal; and
- more than 50% of the market value of WAM Leader's assets is attributable to direct or indirect 'taxable Australian real property'.

A non-resident individual shareholder who has previously been an Australian tax resident and chose to disregard their capital gain or loss in respect of their WAM Leaders Shares on ceasing to be an Australian tax resident will be subject to Australian CGT consequences on the disposal of their WAM Leaders Shares.

10. Implementation of the Scheme

If the Scheme becomes Effective, all of the Century Shares will be transferred to WAM Leaders, Century will be a wholly owned subsidiary of WAM Leaders, and each Scheme Participant will be entitled to the Scheme Consideration. This section describes the implementation of the Scheme.

10.1. People who are affected by the Scheme

If the Scheme becomes Effective, it will bind all Century Shareholders, including those who voted against the Scheme and those who did not vote at all.

10.2. Effect of the Scheme becoming Effective

If the Scheme becomes Effective:

- (a) all Century Shares will be transferred to WAM Leaders, which will result in Century becoming a wholly owned subsidiary of WAM Leaders; and
- (b) Century will then be removed from the official list of the ASX and Century Shares will cease to be quoted by the ASX.

10.3. Payment of Scheme Consideration

Each of Century and WAM Leaders will calculate its own Scheme NTA on the Calculation Date. The Calculation Date will be 5:00pm on Thursday, 31 January 2019 provided that the Second Court Date occurs within 10 Business Days of 31 January 2019 (alternatively it will be 5:00pm on the date of the Second Court Date or such other time and date as Century and WAM Leaders agree).

Each of Century and WAM Leaders will calculate its own NTA and will provide the calculation to the Manager for certification within 5 Business Days of the Calculation Date. This certification will be completed as soon as practicable from the time of delivery of the NTA information.

It is anticipated that the precise Scheme Consideration to be paid will be known and announced by the Record Date for the Scheme, expected to be 7.00pm on Tuesday, 26 February 2019.

On the Implementation Date, WAM Leaders will:

- (a) issue to each Scheme Participant the Scheme Consideration as consideration for the transfer to WAM Leaders of each Scheme Share; and
- (b) apply for quotation on ASX of the New WAM Leaders Shares issues to Scheme Participants.

Century will then be removed from the official list of the ASX and Century Shares will cease to be quoted by the ASX. Normal settlement trading of New WAM Leaders Shares is expected to commence on Wednesday, 6 March 2019.

10.4. If the Scheme does not proceed

In the absence of a superior proposal, the Independent Directors intend to vote (or procure the voting) of all their Century Shares in favour of the Scheme Resolution and recommend all Century Shareholders also vote in favour of the Scheme Resolution.

However, if the Scheme is not implemented:

- (a) Century Shareholders will retain their direct interests in Century Shares and continue to collectively control Century;
- (b) the benefits of the Scheme will not be realised;
- (c) Century would remain an independent listed investment company;
- (d) Century will continue to operate under the Century Directors and be managed by the Manager;
- (e) the rights of Century Shareholders will remain unchanged; and
- (f) half of the Transaction Costs of \$205,000 (excluding GST) in connection with the Scheme will be borne by Century (subject to certain circumstances as set out in sections 5.10 and 5.11).

The Independent Directors would then consider alternatives, including continuing Century in its current form.

10.5. Steps in implementing the Scheme

Century and WAM Leaders have executed the Scheme Implementation Agreement under which Century agreed to propose the Scheme to Century Shareholders. A copy of the Scheme Implementation Agreement is reproduced in Annexure B. The Scheme is reproduced in Annexure C.

WAM Leaders has executed the Deed Poll in favour of Scheme Participants under which WAM Leaders covenants to perform certain obligations imposed on it under the Scheme Implementation Agreement and the Scheme, including to provide to each Scheme Participant the Scheme Consideration to which the Scheme Participant is entitled under the terms of the Scheme. A copy of the Deed Poll is reproduced in Annexure E to this Scheme Booklet.

The Court has ordered that Century convene the Scheme Meeting scheduled to be held at 10:00am (Sydney time) on Tuesday, 12 February 2019 at the offices of WAM Leaders Limited at Level 26, Governor Phillip Tower, 1 Farrer Place, Sydney NSW 2000 for the purpose of Century Shareholders voting on the Scheme Resolution.

The order of the Court to convene the Scheme Meeting is not, and should not be treated as, an endorsement by the Court of, or any other expression of opinion by the Court on, the Scheme.

10.6. Scheme Resolution

On 10:00am on Tuesday, 12 February 2019, Century Shareholders are scheduled to vote at the Scheme Meeting on the following Scheme Resolution:

“That, pursuant to and in accordance with section 411 of the Corporations Act, the scheme of arrangement proposed between Century Australia Investments Limited and the holders of its fully paid ordinary shares, the terms of which are described in the Scheme Booklet of which the notice convening this meeting forms part, is approved (subject to any alterations or conditions agreed to in writing by the WAM Leaders Limited and Century and approved by the Federal Court of Australia or made or required by the Court under section 411(6) of the Corporations Act and agreed by WAM Leaders and Century.”

If:

- (a) the Scheme Resolution is approved by the requisite majorities at the Scheme Meeting; and
- (b) the Scheme Conditions (other than approval of the Court) have each been satisfied or, if applicable, waived in accordance with the Scheme Implementation Agreement, then Century will apply to the Court for orders approving the Scheme. It is expected that the Court hearing to approve the Scheme will be held on Monday, 18 February 2019.

10.7. Effect of Court approval

Each Century Shareholder has the right to appear at Court at the application by Century for orders approving the Scheme. The Court has an overriding discretion whether or not to approve the Scheme, even if the Scheme is approved by the requisite majorities at the Scheme Meeting.

If Court orders approving the Scheme are obtained, Century and WAM Leaders have agreed that they will take, or procure the taking of, the steps required for the Scheme to be implemented, including:

- (a) Century will lodge with ASIC an office copy of the Court orders approving the Scheme under section 411(10) of the Corporations Act. The Scheme will become Effective on the date on which an office copy of the Court orders is lodged with ASIC. It is expected that this will occur on or about Tuesday, 19 February 2019.
- (b) Once the Scheme becomes Effective:
 - (i) no dealings in Century Shares will be permitted after the Effective Date, although the process to register dealings that occurred on or before the Effective Date will continue until the Record Date, which is anticipated to be 7.00pm on Tuesday, 26 February 2019;
 - (ii) Century and WAM Leaders will become bound to implement the Scheme in accordance with the terms of the Scheme Implementation Agreement, the Scheme and the Deed Poll;
 - (iii) Scheme Participants will be bound by, and have the benefit under, the Scheme;
 - (iv) all the Century Shares will be transferred to WAM Leaders without any further action by any Scheme Participant on the Implementation Date; and
 - (v) on the Implementation Date, Century will enter the name of WAM Leaders into the Share Register in respect of the Century Shares.
- (c) Upon completion of the steps set out above, WAM Leaders will hold all of the Century Shares.

10.8. Scheme Conditions

If the Scheme Conditions referred to below are not satisfied or, where applicable, waived in accordance with the Scheme Implementation Agreement, the Scheme will not become Effective. Implementation of the Scheme is subject to the satisfaction or waiver of a number of conditions precedent including:

- (a) **ASIC Relief:** if (and only if) the Second Court Date occurs more than ten weeks after the date of this Scheme Booklet, WAM Leaders obtaining relief from ASIC with respect to the operation of section 723(3)(b) of the Corporations Act to allow WAM Leaders to

seek to have the Scheme Consideration issued on or before the date four months after the date of this Scheme Booklet;

- (b) **Scheme Meeting approval:** Century Shareholders agree to the Scheme at the Scheme Meeting by the requisite majorities under the Corporations Act;
- (c) **Court approval:** the Court approves the Scheme in accordance with section 411(4)(b) of the Corporations Act;
- (d) **Restraints:** no temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction or Government Agency or other material legal restraint or prohibition preventing the Scheme from being implemented is in effect at 8am on the Second Court Date;
- (e) **No Century Material Adverse Change:** no Century Material Adverse Change occurs before 8am on the Second Court Date, including any event that would prevent or delay Century's ability to consummate the Scheme;
- (f) **No WAM Leaders Material Adverse Change:** no WAM Leaders Material Adverse Change occurs, before 8am on the Second Court Date, including any event that would prevent or delay WAM's ability to consummate the Scheme;
- (g) **No Century Prescribed Occurrence:** no Century Prescribed Occurrence occurs before 8am the Second Court Date, including changes in the structure of Century's share capital, Century acquiring or disposing assets for more than \$50,000 or entering or terminating any contract involving revenue or expenditure of more than \$50,000 (without WAM Leader's consent);
- (h) **No WAM Leaders Prescribed Occurrence:** no WAM Leaders Prescribed Occurrence occurs before 8am on the Second Court Date including WAM Leaders ceasing to carry on its business as it is currently conducted;
- (i) **No breach of Century warranty:** WAM Leaders is satisfied that none of the Century warranties is or has become false, misleading or incorrect in a material respect before 8.00am on the Second Court Date;
- (j) **No breach of WAM Leaders warranty:** Century is satisfied that none of the WAM warranties is or has become false, misleading or incorrect in a material respect before 8.00am on the Second Court Date; and
- (k) **Independent Expert:** the Independent Expert issues a report which concludes that the Scheme is in the best interests of Century Shareholders before the time when the Scheme Booklet is registered with ASIC and the Independent Expert has not publicly withdrawn or qualified this conclusion before 8am on the Second Court Date.

10.9. Status of Scheme Conditions

As at the date of this Scheme Booklet, Century and WAM Leaders are not aware of any circumstances which would cause the Scheme Conditions not to be satisfied or (if applicable) waived. An update of the status of the Scheme Conditions will be provided at the Scheme Meeting.

10.10. Warranties by Scheme Participants

The Scheme provides that each Scheme Participant is deemed to have warranted to WAM Leaders that:

- (a) all their Century Shares (including any rights attaching to those shares) which are transferred to WAM Leaders under the Scheme will, at the date of transfer, be fully paid

and free from all encumbrances of any kind, whether legal or otherwise, and restrictions on transfer of any kind; and

- (b) they have full power and capacity to sell and to transfer their Century Shares together with any rights attaching to such Century Shares to WAM Leaders.

In addition, the Scheme provides that, to the extent permitted by law, the Century Shares (including all rights and entitlements attaching to the Century Shares) transferred under the Scheme to WAM Leaders will, at the time of transfer of them to WAM Leaders vest in WAM Leaders free of all securities for payment of moneys or performance of obligations (including any 'security interests' within the meaning of section 12 of the Personal Property Securities Act 2009 (Cth)) and interests of third parties of any kind, whether legal or otherwise and free from any restrictions on transfer of any kind.

10.11. Termination of the Scheme

The Scheme Implementation Agreement can be terminated by either Century or WAM Leaders if a Scheme Condition is not satisfied by the end date of 1 April 2019, the other party is in material breach of the agreement or a Court or Government Agency has taken action to restrain or prohibit the Scheme.

As at the date of this Scheme Booklet, Century and WAM Leaders are not aware of any reason that the Scheme Implementation Agreement would be terminated. These termination rights are set out in full in clause 11 of the Scheme Implementation Agreement.

By way of summary, the Scheme Implementation Agreement can be terminated by either Century or WAM Leaders if:

- (a) either party is in material breach the Scheme Implementation Agreement;
- (b) the terminating party has given written notice to the other at any time before 5.00pm on the day before the Second Court Date, setting out the relevant circumstances and stating an intention to terminate; and
- (c) the relevant circumstances continue to exist 10 Business Days (or any shorter period ending at 5.00pm on the day before the Second Court Date) from the time the notice is given.

Century may terminate the Scheme Implementation Agreement if:

- (a) at any time before 8am on the Second Court Date, a majority the Independent Directors have changed, withdrawn or modified their recommendation that Century Shareholders vote in favour of the Scheme at the Scheme Meeting;
- (b) at any time before 8am on the Second Court Date, a majority of the Century Directors publicly recommend a Competing Transaction that is a Superior Competing Transaction, and provided that the Competing Transaction was not connected with an act prohibited by Century's 'no shop restriction' or 'no talk restriction' referred to in section 1.6F; or
- (c) the Independent Expert concludes that the Scheme is not in the best interests of Century Shareholders, or adversely changes its previously given opinion in the Independent Expert's Report (or any update or variation to that report) that the Scheme is in the best interests of Century Shareholders.

The Scheme Implementation Agreement may also be terminated if:

- (a) a Scheme Condition is not satisfied or has become incapable of being satisfied; and

- (b) Century and WAM Leaders are unable to reach agreement about the Scheme Condition under clause 3.4(a) of the Scheme Implementation Agreement within 5 Business Days.

The Scheme Implementation Agreement may also be terminated if mutually agreed to in writing by Century and WAM Leaders.

10.12. Determination of Scheme Participants

A. Dealings on or before the Record Date

For the purpose of calculating entitlements under the Scheme, any dealing in Century Shares will only be recognised if:

- (a) in the case of dealings of the type to be effected by CHESS, the transferee is registered in the Share Register as the holder of the relevant Century Shares on the Record Date; and
- (b) in all other cases, registrable transfer or transmission applications or valid requests in respect of other alterations in respect of those dealings are received on or before the Record Date at the Registry.

B. Dealings after the Record Date

For the purposes of determining the entitlement to Scheme Consideration, Century will, until the Scheme Consideration has been provided, maintain the Share Register in its form as at the Record Date. The Share Register in this form will solely determine entitlements to Scheme Consideration. From the Record Date:

- (a) all statements of holding in respect of Century Shares cease to have effect as documents of title in respect of such Century Shares; and
- (b) each entry on the Share Register will cease to be of any effect except as evidence of entitlement to Scheme Consideration in respect of the Century Shares relating to that entry.

10.13. Creditors of Century

The Independent Directors consider that the Scheme, if implemented, should not materially prejudice Century's ability to pay its creditors as it involves the acquisition of the Century Shares rather than Century's underlying assets. No material new liability (other than transaction costs) is expected to be incurred by Century as a consequence of the implementation of the Scheme.

10.14. Delisting Century

On a date after the Implementation Date to be determined by WAM Leaders, Century will apply:

- (a) for termination of the official quotation of Century Shares on the ASX; and
- (b) to have itself removed from the official list of the ASX.

11. Additional information

This section 11 provides you with additional information required for the purposes of section 412(1) of the Corporations Act.

11.1. Interests of Century Directors

Century Directors are eligible to vote their shares on the Scheme Resolution and receive the Scheme Consideration under the Scheme on the same terms as you. The table below sets out the Century Directors' interest in Century as at the date of this Scheme Booklet:

Robert Turner	215,234
Stephen Menzies	34,458
Ross Finley	75,000
Geoffrey Wilson	2,553,927

Mr Geoffrey Wilson's interests in WAM Leaders Shares at the date of this Scheme Booklet are disclosed in Section 11.2. As at the date of this Scheme Booklet, none of the other current Century Directors has a relevant interest in WAM Leaders Shares.

All Century Directors who hold or control Century Shares intends to vote (or procure the voting) of all their Century Shares in favour of the Scheme Resolution. Other than Geoff Wilson who received 121,230 WAM Leaders Shares as part of the Dividend Reinvestment Plan on 30 October 2018, No Century Director acquired or disposed of a relevant interest in any Century Shares or WAM Leaders Shares in the four month period ending on the date immediately prior to the date of this Scheme Booklet.

11.2. Interests of WAM Leaders directors

As at the date of this Scheme Booklet, the WAM Leaders Board held the following interests in WAM Leaders Shares:

Geoffrey Wilson	5,591,597
Lindsay Mann	160,000
Melinda Snowden	9,200
Kate Thorley	84,864

Mr Geoffrey Wilson's interests in Century Shares as at the date of this Scheme Booklet are disclosed in Section 11.1 and Ms Kate Thorley also holds 29,166 Century Shares. As at the date of this Scheme Booklet, none of the other WAM Leaders directors have a relevant interest in Century Shares.

11.3. Relevant interests in Century Shares and voting power in Century

None of WAM Leaders, the Wilson Asset Management Group and MAM Pty Limited have any

relevant interests in Century Shares.

WAM Leaders does not have any voting power in Century.

11.4. Agreements or arrangements with Century Directors

Mr Geoffrey Wilson

Century and WAM Leaders have investment management agreements with the Manager, (part of the Wilson Asset Management Group) of which Geoff Wilson is a director. Entities associated with Geoff Wilson hold 100% of the issued shares of MAM Pty Limited. Given his role as a director of and interest in the Manager and as Chairman of WAM Leaders, Mr Wilson is not considered to be an independent director of Century or WAM Leaders.

Century Management Agreement

If the Scheme is approved, subsequently the Century Management Agreement will be terminated and the Manager will not be paid any further fees. Further information about this arrangement is set out in section 5.6.

WAM Leaders Management Agreement

Further information about this arrangement is set out in section 6.8.

Invitation of Mr Ross Finley to join the WAM Leaders Board

If the Scheme becomes effective, Mr Finley will be invited to join the WAM Leaders Board. Despite this appointment, the Century Directors consider Mr Finley to be independent because:

- he is a non-executive Century Director, and has never been an executive of either Century or WAM Leaders;
- he is not a substantial shareholder, or otherwise associated with a substantial shareholder, of either Century or WAM Leaders;
- he has never been a material professional adviser or consultant to Century or WAM Leaders;
- he is not a material supplier or customer of Century or WAM Leaders; and
- he does not have any material contractual relationship with Century or WAM Leaders other than as a non-executive independent director of Century.

The seat on the WAM Leaders Board was considered by the Independent Directors only in relation to the benefit that it would bring to Century Shareholders by providing continuity of management of the Enlarged Group. The Century Directors do not consider that it would materially interfere with Mr Finley's independent exercise of judgement in relation to assessing the Scheme and determining whether it is in the best interests of Century Shareholders, in the absence of a superior proposal.

Other agreements or arrangements connected with or conditional on the Scheme

Other than as outlined above, there is no agreement or arrangement made between any Century Director and another person, including WAM Leaders or the Manager, in connection with or conditional on the outcome of the Scheme.

Interest of Century Directors in contracts with WAM Leaders

None of the Century Directors have any interest in any contract entered into by WAM Leaders, other than as set out above.

11.5. Other benefits to Century Directors

The Century Directors and the Company Secretary of Century will not be receiving:

- any compensation for loss of, or as consideration for or in connection with his or her retirement from, office in Century (or any of its Related Bodies Corporate) in relation to the Scheme; and
- any benefit from WAM Leaders or the Manager which is conditional on, or is related to, the Scheme other than as disclosed elsewhere in this Scheme Booklet.

Other than as disclosed elsewhere in this Scheme Booklet, the Scheme will not affect the Century Directors any differently to the effect on the like interests of Century Shareholders.

11.6. Material changes to the financial position of Century

To the knowledge of the directors of Century, the financial position of Century has not materially changed since 30 June 2018, as reported in the Century Annual Report for the year ended 30 June 2018, other than:

- the accumulation of profits in the ordinary course of trading;
- as disclosed to ASX by Century; or
- as disclosed in this Scheme Booklet.

A copy of the Century Annual Report is available on Century's website at www.centuryaustralia.com.au.

11.7. Material contracts

The only contract material to Century's business is the Century Management Agreement, described in section 5.6.

11.8. Scheme Transaction Costs

The total Transaction Costs of the Scheme are estimated to be approximately \$205,000 (excluding GST). All such Transaction Costs are to be shared in equal proportions by Century and WAM Leaders, subject to certain circumstances where the costs may be payable in full by either Century or WAM Leaders as set out in sections 5.10 and 5.11.

11.9. Foreign selling restrictions

The distribution of this Scheme Booklet outside of Australia may be restricted by law and persons who come into possession of it should seek advice and observe any such restrictions. Any failure to comply with such restrictions may contravene applicable securities laws. Century disclaims all liabilities to such persons. If you are a Century Shareholder who is a nominee, trustee or custodian, you are advised to seek independent advice as to how you should proceed.

No action has been taken to register or qualify this Scheme Booklet, the Scheme or the New WAM Leaders Shares, or otherwise permit a public offering of the New WAM Leaders Shares, in any jurisdiction outside of Australia.

11.10. Lodgement of this Scheme Booklet

This Scheme Booklet was given to ASIC on 30 November 2018 in accordance with section 411(2)(b) of the Corporations Act. Neither ASIC nor any of its officers takes any responsibility for the contents of this Scheme Booklet.

11.11. Consents and disclaimers of advisers

Each of the parties named in this section 11.11 as consenting parties:

- (a) has given and has not, before lodgement of this Scheme Booklet with ASIC, withdrawn

its written consent to be named in this Scheme Booklet in the form and context in which it is named;

- (b) has given and has not, before the lodgement of this Scheme Booklet with ASIC, withdrawn its written consent to the inclusion of their respective statements and reports (where applicable) noted next to their names in this section 11.13, and the references to those statements and reports in the form and context in which they are included in this Scheme Booklet;
- (c) has not authorised or caused the issue of this Scheme Booklet;
- (d) does not make, or purport to make, any statement in this Scheme Booklet other than those statements referred to in this section 11.13 in respect of that person's name (and as consented to by that person); and
- (e) to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding and takes no responsibility for any statements in or omissions from this Scheme Booklet, other than a reference to its names and the statements (if any) included in this Scheme Booklet with the consent of that party as specified in this section 11.13.

Role	Consenting Party	Statements
Acquiring entity	WAM Leaders Limited	WAM Leaders Information
Manager	MAM Pty Limited	
Registry	Link Market Services Limited	
Australian legal adviser	Watson Mangioni Lawyers Pty Limited	
Australian taxation adviser	PPNSW Services Pty Ltd	Australian taxation considerations in section 9.
Independent Expert	BDO Corporate Finance (East Coast) Pty Ltd.	Independent Expert's Report in Annexure A and to the references to the Independent Expert's Report in this Scheme Booklet.

11.12. Disclosure of fees and benefits received by certain persons

In aggregate, if the Scheme is implemented Century expects to pay approximately \$102,500 (excluding GST) in Transaction Costs. See sections 5.9 to 5.11 for the treatment of Transaction Costs if the Scheme is not implemented.

Except as disclosed in this Scheme Booklet, no:

- (a) Century Director;
- (b) Director of WAM Leaders;
- (c) person named in this Scheme Booklet as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Scheme Booklet; or
- (d) promoter of the Enlarged Group,

(together the **Interested Persons**) holds, or held at any time during the two years before the date of this Scheme Booklet any interests in:

- (a) the formation or promotion of the Enlarged Group;
- (b) property acquired or proposed to be acquired by WAM Leaders in connection with the formation or promotion of the Enlarged Group or the offer of New WAM Leaders Shares under the Scheme; or
- (c) the offer of New WAM Leaders Shares under the Scheme.

Except as disclosed elsewhere in this Scheme Booklet, neither Century or WAM Leaders has paid or agreed to pay any fees, or provided or agreed to provide any benefit to:

- (a) a proposed director of WAM Leaders to induce them to become or qualify as a director of WAM Leaders; or
- (b) any Interested Person for services provided by that person in connection with:
 - (i) the formation or promotion of the Enlarged Group; or
 - (ii) the offer of New WAM Leaders Shares under the Scheme.

11.13. Documents available

An electronic version of this Scheme Booklet including the Independent Expert's Report and the Scheme Implementation Agreement is available for viewing and downloading online at Century's website at www.centuryaustralia.com.au and on the ASX website at www.asx.com.au. Further information about WAM Leaders is available at WAM Leaders' website at www.wilsonassetmanagement.com.au

11.14. No Unacceptable Circumstances

The Century Directors believe that the Scheme does not involve any circumstances in relation to the affairs of Century that could reasonably be characterised as constituting "unacceptable circumstances" for the purposes of section 657A of the Corporations Act.

11.15. Other material information known to Century

Except as set out in this Scheme Booklet, there is no other information material to the making of a decision in relation to the Scheme being information that is within the knowledge of any Century Director, or any director of any related body corporate of Century, which has not previously been disclosed to Century Shareholders.

11.16. Other material information known to WAM Leaders

Except as set out in this Scheme Booklet, there is no other information material to the making of a decision in relation to the Scheme being information that is within the knowledge of any WAM Leaders Director, or any director of any related body corporate of WAM Leaders, which does not relate to the value of the New WAM Leaders Shares that has not previously been disclosed to Century Shareholders.

11.17. Supplementary information

Century will issue a supplementary document to this Scheme Booklet if it becomes aware of any of the following between the date of lodgement of this Scheme Booklet for registration with ASIC and the Effective Date:

- (a) a material statement in this Scheme Booklet is or becomes false or misleading;
- (b) a material omission from this Scheme Booklet;

- (c) a significant change affecting a matter included in this Scheme Booklet; or
- (d) a significant new matter has arisen and it would have been required to be included in this Scheme Booklet if it had arisen before the date of lodgement of this Scheme Booklet for registration by ASIC.

Depending on the nature and timing of the changed circumstances and subject to obtaining any relevant approvals, Century may circulate and publish any supplementary document by:

- (a) making an announcement to the ASX;
- (b) placing an advertisement in a prominently published newspaper which is circulated generally throughout Australia;
- (c) posting the supplementary document to Century Shareholders at their address shown on the Share Register; or
- (d) posting the supplementary document on Century's website,

as Century, in its absolute discretion, considers appropriate.

12. Glossary of terms

Definitions

In this Scheme Booklet (including the annexures), unless the context requires otherwise:

ASIC	means the Australian Securities and Investments Commission.
ASX	means ASX Limited (ACN 008 624 691) or, as the context requires, the financial market operated by it.
Business Day	means a weekday on which trading banks are open for business in Sydney, Australia, excluding any Saturday, Sunday or public holiday.
Calculation Date	means the date on which Century and WAM Leaders calculate the Scheme Consideration entitlement, which will be 5:00pm (Sydney time) on 31 January 2019 or such other time and date as Century and WAM Leaders agree in writing.
Century	means Century Australia Investments Limited (ACN 107 772 761).
Century Directors	means the board of directors of Century.
Century Information	means the information set out in section 5.
Century Management Agreement	means the Investment Management Agreement between Century and the Manager dated 18 April 2017.
Century Material Adverse Change	has the meaning given in the Scheme Implementation Agreement.
Century NTA	has the meaning given in the Scheme Implementation Agreement.
Century Prescribed Occurrence	has the meaning given in the Scheme Implementation Agreement.
Century Share	means a fully paid ordinary share in Century.
Century Shareholder	means a person who is registered in the Share Register as the holder of a Century Share.
CHESS	means the Clearing House Electronic Subregister System for the electronic transfer of securities and other financial products operated by ASX Settlement Pty Ltd (ACN 008 504 532).
Competing Transaction	means any bona fide unsolicited proposal by a third party in relation to a transaction or arrangement under which if the transaction or arrangement is completed: <ul style="list-style-type: none"> (a) a person would acquire (whether directly or indirectly) or become the holder of, or otherwise have a right to acquire or have an economic interest in, all or substantially all of the business conducted by Century, or the assets of Century; (b) a person would acquire (whether directly or indirectly) Control of Century; (c) a person would acquire a relevant interest in, or voting power of, 50% or more of the Century Shares; (d) a person would otherwise acquire, or merge or amalgamate with, Century (or any member of Century); or (e) Century would be required to abandon or otherwise fail to proceed with the implementation of the Scheme.
Corporations Act	means the Corporations Act 2001 (Cth).
Court	means the Federal Court of Australia or such other court of competent jurisdiction under the Corporations Act agreed to in writing by Century and WAM Leaders.

Deed Poll	means the deed poll by WAM Leaders in favour of the Scheme Participants.
Effective	means, when used in relation to this Scheme, the coming into effect, under section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) in relation to the Scheme.
Effective Date	means the date on which the Scheme becomes Effective.
Enlarged Group	means the enlarged group of WAM Leaders and Century that will exist after implementation of the Scheme.
Explanatory Statement	means the statement pursuant to section 412 of the Corporations Act which has been, or will be, registered by ASIC in relation to this Scheme, included in this Scheme Booklet.
Foreign Resident	means a person who is not a resident of Australia for the purposes of the Income Tax Assessment Act 1936 (Cth).
Government Agency	means any foreign or Australian government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity, or any minister of the Crown in right of the Commonwealth of Australia or any state.
Implementation Date	means the fifth Business Day after the Record Date or such other date as Century and WAM Leaders agree in writing.
Independent Directors	means Mr Robert Turner, Mr Ross Finley and Mr Stephen Menzies.
Independent Expert	means BDO Corporate Finance (East Coast) Pty Ltd.
Independent Expert's Report	means the report prepared by the Independent Expert, providing an opinion as to whether the Scheme is in the best interests of Century Shareholders, included in Annexure A.
Ineligible Foreign Shareholder	means a Scheme Participant whose address on Century's share register as at the Record Date is a place outside Australia and its external territories, unless Century and WAM Leaders agree in writing that it is lawful and not unduly onerous or impracticable to issue that Scheme Participant with New WAM Leaders Shares when the Scheme becomes Effective.
Interested Persons	has the meaning given in section 11.12.
Last Practicable Trading Date	14 December 2018, being the last practicable trading date before the date of this scheme booklet.
Listing Rules	means the Listing Rules of ASX.
Manager	means MAM Pty Limited (ACN 100 276 542).
New WAM Leaders Share	means a WAM Leaders Share to be issued pursuant to this Scheme to Scheme Participants.
NTA	has the meaning given in the Scheme Implementation Agreement.
NTA Formula	is the ratio for determining the Scheme Consideration calculated in accordance with section 1.5.
Pitcher Partners	means PPNSW Services Pty Ltd as the taxation advisor.
Proxy Form	means the personalised form for appointing a proxy accompanying this Scheme Booklet.
Record Date	means 7:00pm (Sydney time) on the fifth Business Day after the Effective Date.
Registry	means Link Market Services Limited of Locked Bag A14 Sydney South, NSW 1235.
Related Bodies Corporate Representative	means has the meaning given in the Corporations Act. in respect of a Party, means each director, officer, employee, advisor, agent or representative of that Party or Subsidiary.
Sale Agent	means the agent appointed in relation to the Scheme by WAM Leaders to sell the WAM Leaders Shares that would have otherwise been issued to Ineligible Foreign Shareholders.
Sale Facility	means the facility described in clause 5.2 of the Scheme.

Scheme	means this scheme of arrangement under Part 5.1 of the Corporations Act between Century and the Scheme Participants.
Scheme Booklet	means this document.
Scheme Conditions	means the conditions precedent summarised in section 10.8 and set out in clause 3.1 of the Scheme Implementation Agreement.
Scheme Consideration	for each Century Share means the number of New WAM Leaders Shares determined by the NTA Formula.
Scheme Implementation Agreement	means the scheme implementation agreement between Century and WAM Leaders dated 13 November 2018 (as amended by the Deed of Amendment dated 18 December 2018), and set out in Annexure C.
Scheme Meeting	means the meeting of Century Shareholders ordered by the Court to be convened under section 411(1) of the Corporations Act.
Scheme NTA	means the pre-tax net tangible asset backing per share after excluding current and deferred tax assets and liabilities and transaction costs associated with implementing the Scheme as at the Calculation Date, determined in accordance with the ASX Listing Rules and the Australian Accounting Standards, rounded to the nearest one hundredth of a cent.
Scheme Participant	means each Century Shareholder (other than WAM Leaders) as at the Record Date.
Scheme Resolution	means the resolution that Century Shareholders are asked to vote on at the Scheme Meeting, set out in section 10.6.
Scheme Share	means a Century Share held by a Scheme Participant as at the Record Date.
Second Court Date	means the first day on which the application made to the Court for an order for the purposes of section 411(4)(b) of the Corporations Act approving the Scheme is heard.
Share Register	means the register of members of Century.
Shareholder Information Line	means: <ul style="list-style-type: none"> • 1300 494 861 (in Australia); or • + 1300 494 861 (outside Australia), Monday to Friday between 8.30am and 7.30pm (Sydney Time).
Superior Competing Transaction	means a bona fide unsolicited Competing Transaction received by Century which the Independent Board Committee has determined, acting in good faith and in accordance with their fiduciary duties, and after consultation with and the receipt of written advice from the Independent Board Committee's external legal advisors (including obtaining senior counsel's opinion) or financial advisers is: <ol style="list-style-type: none"> reasonably capable of being completed, taking into account all aspects of the Competing Transaction and the person making it; and more favourable to Century Shareholders (as a whole) than the Transaction, taking into account all the terms and conditions of the Competing Transaction.
Transaction Costs	has the meaning given to it in section 5.9.
WAM Leaders	means WAM Leaders Limited (ACN 611 053 751).
WAM Leaders Board	means the board of directors of WAM Leaders.
WAM Leaders Constitution	means the constitution of WAM Leaders as amended.
WAM Leaders Information	means the information regarding WAM Leaders, the Manager and other entities managed by the Manager and its Related Bodies Corporate, including as set out in sections 6 to 8.
WAM Leaders Management Agreement	means the Investment Management Agreement between WAM Leaders and the Manager dated 4 April 2016, described in section 6.

WAM Leaders Material Adverse Change	has the meaning given in the Scheme Implementation Agreement.
WAM Leaders NTA	has the meaning given in the Scheme Implementation Agreement.
WAM Leaders Prescribed Occurrence	has the meaning given in the Scheme Implementation Agreement.
WAM Leaders Share	means an ordinary fully paid share in WAM Leaders.
Wilson Asset Management or Wilson Asset Management Group	Wilson Asset Management (International) Pty Ltd ACN 081 047 118 and its Related Bodies Corporate.

Interpretation

In this Scheme Booklet (including the annexures) unless the context otherwise requires:

A number of figures, amounts, percentages, estimates, calculations of value and fractions in this Scheme Booklet are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this Scheme Booklet.

Except where otherwise stated, all references to times in this Scheme Booklet are references to Sydney time.

All references to "\$", "dollar" and "cent" are references to Australian currency, unless stated otherwise. Words and phrases not otherwise defined in this Scheme Booklet (excluding the annexures) have the same meaning (if any) as is given to them by the Corporations Act.

The singular includes the plural and vice versa. A reference to a person includes a reference to a corporation.

Headings are for ease of reference only and do not affect the interpretation of this Scheme Booklet.

A reference to a section is to a section in this Scheme Booklet unless stated otherwise.

INDEPENDENT EXPERT'S REPORT
Century Australia Investments Limited

In relation to the proposed merger via a
Scheme of Arrangement with WAM
Leaders Limited

19 December 2018

FINANCIAL SERVICES GUIDE

This Financial Services Guide (“FSG”) helps you decide whether to use any of the financial services offered by BDO Corporate Finance (East Coast) Pty Ltd (“BDOCF, we, us, our”).

The FSG includes information about:

- Who we are and how we can be contacted;
- The services we are authorised to provide under our Australian Financial Services Licence, Licence No: 247420
- Remuneration that we and/or our staff and any associates receive in connection with the financial services
- Any relevant associations or relationships we have
- Our complaints handling procedures and how you may access them.

FINANCIAL SERVICES WE ARE LICENSED TO PROVIDE

We hold an Australian Financial Services Licence which authorises us to provide financial product advice to retail and wholesale clients about securities and certain derivatives (limited to old law securities, options contracts and warrants). We can also arrange for customers to deal in securities, in some circumstances. Whilst we are authorised to provide personal and general advice to retail and wholesale clients, we only provide *general* advice to retail clients.

Any general advice we provide is provided on our own behalf, as a financial services licensee.

GENERAL FINANCIAL PRODUCT ADVICE

Our general advice is typically included in written reports. In those reports, we provide general financial product advice that is prepared without taking into account your personal objectives, financial situation or needs. You should consider the appropriateness of the general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product.

FEES, COMMISSIONS AND OTHER BENEFITS THAT WE MAY RECEIVE

We charge fees for providing reports. These fees are negotiated and agreed to with the person who engages us to provide the report. Fees will be agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. In this instance, the Company has agreed to pay us \$40,000 for preparing the Report.

Except for the fees referred to above, neither BDO Corporate Finance, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of general advice.

All our employees receive a salary. Our employees are eligible for bonuses based on overall company performance but not directly in connection with any engagement for the provision of a report.

REFERRALS

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

ASSOCIATIONS AND RELATIONSHIPS

BDO Corporate Finance is a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The general financial product advice in our report is provided by BDO Corporate Finance and not by BDO or its related entities. BDO and its related entities provide services primarily in the areas of audit, tax, consulting and financial advisory services.

We do not have any formal associations or relationships with any entities that are issuers of financial products. However, you should note that we and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business.

COMPLAINTS RESOLUTION

Internal Complaints Resolution Process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. Complaints can be in writing, addressed to the Complaints Officer, BDO Corporate Finance, Level 11, 1 Margaret St, Sydney NSW 2001 or by telephone or email, using the contact details at the top of this FSG.

When we receive a complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than **45 days** after receiving the written complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme

If a complaint relating to general advice to a retail client is not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Financial Ombudsman Service Limited (“FOS”). FOS is an independent company that has been established to impartially resolve disputes between consumers and participating financial services providers.

BDO Corporate Finance is a member of FOS (Member Number 11843).

Further details about FOS are available at the FOS website www.fos.org.au or by contacting them directly via the details set out below.

Financial Ombudsman Service Limited
GPO Box 3
MELBOURNE VIC 3001
Toll free: 1300 78 08 08
Facsimile: (03) 9613 639

COMPENSATION ARRANGEMENTS

BDO Corporate Finance and its related entities hold Professional Indemnity insurance for the purpose of compensating retail clients for loss or damage suffered because of breaches of relevant obligations by BDO Corporate Finance or its representatives under Chapter 7 of the Corporations Act 2001. These arrangements and the level of cover held by BDO Corporate Finance satisfy the requirements of section 912B of the Corporations Act 2001.

CONTACT DETAILS

You may provide us with instructions using the details set out at the top of this FSG or by emailing - cf.ecp@bdo.com.au.

The Directors
Century Australia Investments Limited
C/-White Outsourcing Pty Limited
Level 12, 680 George Street
Sydney, NSW 2000
Australia

19 December 2018

Dear Directors

PROPOSED SCHEME OF ARRANGEMENT WITH WAM LEADERS LIMITED

INTRODUCTION

BDO Corporate Finance (East Coast) Pty Ltd (ABN 70 050 038 170) ("**BDOCF**", "**we**", "**us**" or "**our**") has been engaged by the Directors ("**Directors**") of Century Australia Investments Limited ("**Century**" or "**the Company**") to prepare an independent expert's report ("**Report**" or "**IER**"), setting out our opinion as to whether the proposed scheme of arrangement, pursuant to which WAM Leaders Limited ("**WAM Leaders**") will acquire all of the shares in Century ("**Proposed Scheme**"), is fair and reasonable and as a result in the best interests of a person registered in the share register of Century as a holder of a fully paid ordinary share in the capital of Century ("**Century Shares**") ("**Century Shareholders**"), in the absence of a superior offer.

Century is listed on the Australian Securities Exchange ("**ASX**") and is a listed investment company ("**LIC**"), investing in the public equity markets of Australia. Century has an investment management agreement with MAM Pty Ltd ("**MAM**") ("**Century Management Agreement**"), an entity forming part of Wilson Asset Management.

On 13 November 2018, Century signed a binding scheme implementation agreement ("**Agreement**") with WAM Leaders and announced its intention to undertake the Proposed Scheme. Under the Agreement, Century Shareholders will receive scrip consideration in WAM Leaders to be issued on a pre-tax net tangible asset ("**NTA**") basis for each Century Share held ("**New WAM Leaders Share**") ("**Scheme Consideration**"). The Scheme Consideration will be determined on 31 January 2019, prior to the proposed shareholders meeting.

Further details of the Proposed Scheme are provided in the scheme booklet that has been prepared for Century Shareholders by the Directors ("**Scheme Booklet**").

PURPOSE OF REPORT

The Directors have engaged us to prepare a Report in relation to the Proposed Scheme to satisfy the requirements of:

- Schedule 8 of the Corporations Act 2001 (Cth) ("**Act**").
- Australian Securities and Investments Commission's ("**ASIC**") Regulatory Guide 60 'Schemes of Arrangement' ("**RG 60**").

The regulatory requirements relevant to this IER are summarised below.

Schedule 8 of the Corporations Act and RG 60

The Proposed Scheme is to be implemented pursuant to Schedule 8 of the Corporations Act and RG 60. In terms of the provisions of RG 60.74 as well as paragraph 8303 of Schedule 8 of the Act, the Scheme Booklet is to be accompanied by an Independent Expert Report, in a situation where there are common directors in the entities involved in the scheme of arrangement. Geoff Wilson is a director of both Century and WAM Leaders and therefore

an IER is required for inclusion in a scheme booklet which states whether, in the expert's opinion, the proposed scheme is fair and reasonable and in the best interests of target shareholders.

Accordingly, the Directors have requested that BDOCF prepare this IER to accompany the Scheme Booklet required to be provided to the Century Shareholders to enable them to assess the Proposed Scheme and to decide whether to approve the Proposed Scheme.

APPROACH

In preparing our IER, we have considered the requirements of:

- ASIC Regulatory Guide 111 Content of expert reports ("RG 111"); and
- ASIC Regulatory Guide 112 Independence of experts ("RG 112").

RG 111 establishes guidelines in respect of independent expert reports under the Act. This regulatory guide provides guidance as to what matters an independent expert should consider to assist shareholders to make informed decisions about transactions.

RG 111 states that there should be a separate assessment of fairness and reasonableness. RG 111 indicates that an independent expert would be able to conclude that the scheme of arrangement was in the best interests of the shareholders if they consider a proposal is "fair and reasonable."

Fairness

RG 111.11 indicates that an offer is 'fair' if the value of the offer price or consideration is equal to or greater than the value of the securities the subject of the offer. The comparison must be made assuming:

- A knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length; and
- 100% ownership of the target company, irrespective of the percentage holding of the bidder or its associates in the target company.

Based on our interpretation of RG111.11, we have compared:

- The fair market value ("FMV") of a Century Share pre-transaction on a control basis (being the value of the securities the subject of the offer, per RG 111.11); and
- The FMV of the Scheme Consideration.

Reasonableness

In accordance with paragraph 60 of RG 111, an offer is 'reasonable' if it is 'fair'. It might also be 'reasonable' if, despite being 'not fair', the expert believes there are sufficient reasons to accept the offer.

When deciding whether an offer is 'reasonable', factors an expert might consider include:

- the financial situation and solvency of the entity;
- the alternative options available to the entity;
- the entity's bargaining position;
- whether there is selective treatment of any shareholder; and
- any special value of the transaction to the purchaser.

SUMMARY OF OPINION

We have concluded that the Proposed Scheme is fair and reasonable and as a result in the best interest of the Century Shareholders at the time of writing this report.

A summary of our analysis in forming the above opinion is provided below. This summary should be read in conjunction with our full IER that sets out in full the purpose, scope, basis of evaluation, limitations, information relied upon, analysis and our findings.

In undertaking our assessment of fairness, we have had regard to the ASIC RG 111.

The Proposed Scheme will be fair if the Scheme Consideration is equal to or greater than the FMV of a Century Share prior to announcement of the Proposed Scheme, on a controlling interest basis.

Accordingly, in order to make this comparison we have undertaken an assessment of the FMV of a Century Share before announcement of the Scheme.

We have assessed the FMV of a Century Share, on a control basis, pre-implementation of the Proposed Scheme and the Scheme Consideration using the net asset value method (“NAV”) as our primary approach and the quoted market price (“QMP”) method as a secondary method.

Fairness conclusion

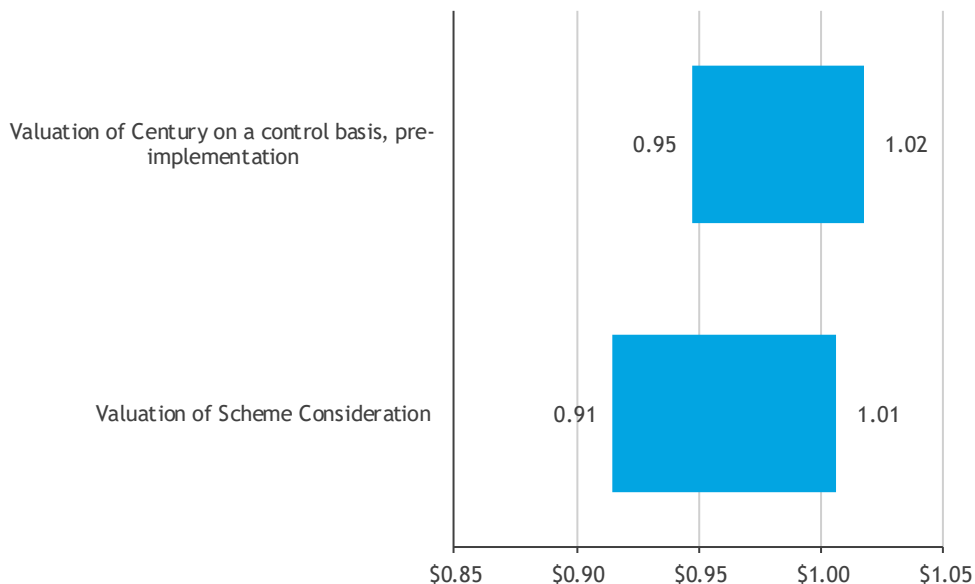
The results of our valuation analysis using both NAV and QMP valuation methods are summarised below:

Table 1: Valuation summary

Valuation summary	Low	High
Valuation of Century on a control basis, pre-implementation	0.95	1.02
Valuation of Scheme Consideration	0.91	1.01

Source: BDOCF analysis

Figure 1: Valuation summary



Source: BDOCF analysis

The FMV range of a Century Share pre-implementation of the Proposed Scheme of between \$0.95 and \$1.02 significantly overlaps the FMV range for the Scheme Consideration of between \$0.91 and \$1.01. As a result, the Scheme Consideration is fair.

Our conclusion is based on the valuation date of 13 November 2018 (“Valuation Date”), however as the Scheme Consideration is based on an exchange ratio (Refer to Section 1.5 of the Scheme Booklet) determined by Century

and WAM Leaders' NTA on 31 January 2019, any significant movements in either Century or WAM Leaders' NTA may change our conclusion.

Management have provided for a referral to an independent expert in the event that there is a material discrepancy in the WAM Leaders of Century data for the calculation of the NTA. Further detail regarding this proviso is included in the Scheme Implementation Agreement.

Reasonableness conclusion

In accordance with RG 111, an offer is reasonable if it is fair. On this basis, the Proposed Scheme is reasonable to Century Shareholders.

We have set out below a summary of reasonableness factors we consider relevant in assisting the Century Shareholders in deciding whether or not to vote in favour of the Proposed Scheme.

Table 2: Summary of factors considered in the reasonableness assessment

Advantages	
Reduced Management Expense	The Proposed Scheme allows Century Shareholders to reduce management expenses. The management expense paid by Century (excluding brokerage and investment management fees paid to MAM) in FY18 was \$0.523 million, or c. 0.57% of Century's pre-tax net assets as at 30 June 2018 as a percentage of NAV. Post the proposed merger with WAM Leaders, management have estimated the management expenses (excluding brokerage and investment management fees paid to MAM) of the merged group to be \$0.875 million, or c. 0.10% of the Enlarged Group's pre-tax net assets as at 30 June 2018, as a percentage of NAV.
No Transaction Costs	Century Shareholders participating in the Proposed Scheme will be able to exchange their Century Shares for the Scheme Consideration without incurring any brokerage fees. However, the sale of WAM Leaders shares at a later date would attract typical brokerage fees.
Consistent Investment Strategy	The portfolios held by Century and WAM Leaders are similar in nature. The portfolios are currently both managed by the same manager (MAM), and the merged group will continue to be managed by MAM. MAM has advised that the investment strategies of Century and WAM Leaders are primarily aligned, and there is no proposed change to the strategy as a result of the merger.
Increased Size and Scale	Century's pre-tax NTA as at 31 October 2018 was \$91.1 million. The pro forma pre-tax NTA of the Enlarged Group at 31 October 2018 is \$892.6 million. In general, larger listed entities attract greater investor interest, and greater volume of trading on the exchange. The improved liquidity in share trading is an advantage to Century Shareholders.
Disadvantages	
Potential Loss of Tax Losses	<p>As at 30 June 2018 Century had tax losses totalling \$5.4 million and unrecognised tax losses totalling \$6.5 million. As a result of the proposed merger, there will be a change in ownership in Century. There is a risk that the Australian Taxation Office will consider that Century has failed the same business test since the losses were incurred. If this is the case, the Enlarged Group will not be able to utilise the tax losses. Even if the tax losses are able to be utilised, the period over which the losses will be utilised will be extended significantly.</p> <p>We note that if Century's portfolio was to be liquidated, an immaterial amount of tax losses could be utilised.</p>
Dilution	Century Shareholders currently control 100% of Century Shares. Century Shareholders will only hold c.10% of the shares in WAM Leaders post-merger.
Potential Tax Payable (Rollover Relief)	Investors may be liable to pay income tax upon the disposal of their Century Shares if the merger proceeds. Century Shareholders may be able to reduce their current income tax liability by benefiting from scrip-for-scrip rollover relief. The availability of rollover relief is based on individual shareholder circumstances. Shareholders should seek independent tax advice.

Table 3: Other considerations

Other Considerations	
Base Management Fee	The base management fee payable by Century and WAM Leaders is the same. There will be no change in base management fees payable as a result of the merger.
Performance Fee	The calculation of the performance fee payable by both Century and WAM Leaders is the same, except that the WAM Leaders performance fee is paid on an annual basis, while Century's performance fee is payable on a semi-annual basis.
Directors' Recommendation	The Directors have recommended that Century Shareholders vote in favour of the Proposed Scheme, in the absence of a superior proposal and subject to the Independent Expert continuing to conclude that the Proposed Scheme is in the best interests of the Century Shareholders. Further, the Directors that hold shares in Century have stated they intend to accept the Proposed Scheme.

OTHER MATTERS

Shareholders' individual circumstances

Our analysis has been undertaken, and our conclusions are expressed at an aggregate level. Accordingly, BDOCF has not considered the effect of the Proposed Scheme on the particular circumstances of individual Century Shareholders. Some individual Century Shareholders may place a different emphasis on various aspects of the Proposed Scheme from that adopted in this IER. Accordingly, individual Century Shareholders may reach different conclusions as to whether or not the Proposed Scheme is fair and reasonable and in the best interests in their individual circumstances.

The decision of an individual Century Shareholder in relation to the Proposed Scheme may be influenced by their particular circumstances and accordingly Century Shareholders are advised to seek their own independent advice.

Approval or rejection of the Proposed Scheme is a matter for individual Century Shareholders based on their expectations as to the expected value and future prospects and market conditions together with their particular circumstances, including risk profile, liquidity preference, portfolio strategy and tax position. Century Shareholders should carefully consider the Scheme Booklet. Century Shareholders who are in doubt as to the action they should take in relation to the Proposed Scheme should consult their professional adviser. Capitalised terms used in this Report have the meanings set out in the glossary.

General requirements in relation to the IER

In preparing the IER, ASIC requires the independent expert when deciding on the form of analysis for a report, to bear in mind that the main purpose of the report is to adequately deal with the concerns that could reasonably be anticipated by those persons affected by the Proposed Scheme. In preparing the IER we considered ASIC regulatory guides and commercial practice.

The IER also includes the following information and disclosures:

- Particulars of any relationship, pecuniary or otherwise, whether existing presently or at any time within the past, between BDO East Coast Partnership or BDOCF and any of the parties to the Proposed Scheme;
- The nature of any fee or pecuniary interest or benefit, whether direct or indirect, that we have received or will or may receive for or in connection with the preparation of the IER;
- We have been appointed as independent expert for the purposes of providing an IER in relation to the Proposed Scheme for the Directors;
- That we have relied on information provided by the Directors and management of Century ("Management") and representatives of WAM Leaders and that we have not carried out any form of audit or independent verification of the information; and
- That we have received representations from the Directors in relation to the completeness and accuracy of the information provided to us for the purpose of our IER.

Current Market Conditions

Our opinion is based on economic, market and other conditions prevailing at the date of this IER. Such conditions can change significantly over relatively short periods of time.

Changes in those conditions may result in any valuation or other opinion becoming quickly outdated and in need of revision. We reserve the right to revise any valuation or other opinion, in light of material information existing at the valuation date that subsequently becomes known to us.

Glossary

Capitalised terms used in this IER have the meanings set out in the glossary. A glossary of terms used throughout this IER is set out in Appendix 4.

Sources of information

Appendix 1 to the IER sets out details of information referred to and relied upon by us during the course of preparing this IER and forming our opinion.

The statements and opinions contained in this IER are given in good faith and are based upon our consideration and assessment of information provided by Century.

Under the terms of our engagement, Century agreed to indemnify the partners, directors and staff (as appropriate) of BDO East Coast Partnership and BDOCF and their associated entities, against any claim, liability, loss or expense, costs or damage, arising out of reliance on any information or documentation provided by Century which is false or misleading or omits any material particulars, or arising from failure to supply relevant information.

Limitations

This IER has been prepared at the request of the Directors for the sole benefit of the Directors and Century Shareholders to assist them in their decision to approve or reject the Proposed Scheme. This IER is to accompany the Scheme Booklet to be sent to Century Shareholders to consider the Proposed Scheme and was not prepared for any other purpose.

Accordingly, this IER and the information contained herein may not be relied upon by anyone other than the Directors and Century Shareholders without our written consent. We accept no responsibility to any person other than the Directors and Century Shareholders in relation to this IER.

This IER should not be used for any other purpose and we do not accept any responsibility for its use outside this purpose. Except in accordance with the stated purpose, no extract, quote or copy of our IER, in whole or in part, should be reproduced without our written consent, as to the form and context in which it may appear.

We have consented to the inclusion of the IER with the Scheme Booklet. Apart from this IER, we are not responsible for the contents of the Scheme Booklet or any other document associated with the Proposed Scheme. We acknowledge that this IER may be lodged with regulatory authorities, including ASIC.

Summary

This summary should be read in conjunction with the attached IER that sets out in full, the purpose, scope, basis of evaluation, limitations, information relied upon, analysis and our findings.

Financial Service Guide

BDOCF holds an Australian Financial Services Licence which authorises us to provide reports for the purposes of acting for and on behalf of clients in relation to proposed or actual mergers, acquisitions, takeovers, corporate restructures or share issues. A financial services guide is attached to this IER.

Yours faithfully

BDO CORPORATE FINANCE (EAST COAST) PTY LTD

A handwritten signature in black ink, appearing to read 'DMcCourt', written over a light grey rectangular background.

David McCourt
Director

A handwritten signature in black ink, appearing to read 'SStevens', written over a light grey rectangular background.

Sebastian Stevens
Director

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1. PURPOSE AND BACKGROUND

1.1. Purpose

We have been appointed by the Directors to prepare an IER setting out our opinion as to whether the Proposed Scheme is fair and reasonable and therefore in the best interests of the Century Shareholders, in the absence of a superior proposal.

This IER is to accompany the Scheme Booklet to be provided to Century Shareholders. It has been prepared to assist and enable Century Shareholders to assess the Proposed Scheme and to decide whether to approve the Proposed Scheme.

A summary of the background to the terms of the Proposed Scheme is set out below.

1.2. Proposed Scheme

On 13 November 2018, Century signed the Agreement with WAM Leaders and announced its intention to undertake the Proposed Scheme. Details of the Proposed Scheme are provided in the Scheme Booklet that has been prepared for Century Shareholders by the Directors.

Under the terms of the Proposed Scheme:

- Century Shareholders will receive New WAM Leaders Shares. The number of New WAM Leaders Shares to be issued to Century Shareholders is dependent on the respective pre-tax NTA's of the two entities ("**NTA Formula**"). The Scheme Consideration will be determined on 31 January 2019, prior to the proposed Shareholders meeting.
- Implementation of the Proposed Scheme is expected to be in March 2019.
- If the Scheme is implemented, Century will be delisted from the ASX.

The Directors' rationale in pursuing the Proposed Scheme was based on the following factors:

- The Proposed Scheme will create a single listed investment company ("**Enlarged Group**") with a larger capital and shareholder base and an enhanced scale.
- The Enlarged Group is expected to benefit from a reduced management expense ratio as a result of the removal of duplicated expenses between the two companies as well as a larger pool of assets to spread the expenses across.
- The Enlarged Group is expected to have a share price trading at or near the company's net tangible assets determined by trading on the ASX which has greater liquidity (and therefore may minimise the likelihood of discounts due to illiquidity).
- The Enlarged Group will have net assets of c.\$885 million and more than 18,000 shareholders and is expected to provide shareholders with access to greater liquidity in the trading of their shares.
- The value of the Proposed Scheme is expected to provide a premium to Century's historic share price.
- The Enlarged Group will have access to an established history of outperformance, profit reserves and franking account balances of WAM Leaders.

1.3. WAM Leaders' Intentions

Following implementation of the Proposed Scheme, Century will be a subsidiary of WAM Leaders.

The Proposed Scheme will create a single listed investment company with a larger capital and shareholder base under the same investment manager with no substantive changes to existing management arrangements in place.

Further details on the intentions of WAM Leaders are set out in WAM Leaders' announcement of the Proposed Scheme dated 13 November 2018.

1.4. Conditions Precedent

The Proposed Scheme is subject to a number of conditions precedents including:

- Century Shareholders approving the Proposed Scheme.
- The Court approving the Proposed Scheme.
- No 'Prescribed Occurrences' in relation to Century or WAM Leaders as defined in Clause 1.1 of the Agreement.
- No 'Material Adverse Change' in relation to Century or WAM Leaders as defined in Clause 1.1 of the Agreement.

Further details of the conditions precedent are disclosed in Section 10.8 of the Scheme Booklet.

2. SCOPE AND LIMITATIONS

2.1. Scope

The scope of the procedures we undertook in forming our opinion on whether the Proposed Scheme is fair and reasonable and in the best interest of Century Shareholders has been limited to those procedures we believe are required in order to form our opinion. Our procedures did not include verification work nor constitute an audit or assurance engagement in accordance with Australian Auditing and Assurance Standards.

Our assessment involved determining the “FMV” of various securities, assets and liabilities. For the purposes of our opinion, the term “FMV” is defined as the price that would be negotiated in an open and unrestricted market between a knowledgeable, willing, but not anxious purchaser and a knowledgeable, willing, but not anxious vendor, acting at arm’s length.

2.2. Summary of Regulatory Requirements

The Directors have engaged us to prepare an IER in relation to the Proposed Scheme to satisfy the requirements of:

- Section 411 of the Act.
- RG 60 ‘Schemes of Arrangement’.

The regulatory requirements relevant to this IER are summarised below.

2.2.1. Schedule 8 of the Act and RG 60

The Proposed Scheme is to be implemented pursuant to Schedule 8 of the Act and RG 60. In terms of the provisions of RG 60.74, as well as paragraph 8303 of Schedule 8 of the Act the scheme booklet is to be accompanied by an Independent Expert Report, in a situation where there are common directors in the entities involved in the scheme of arrangement. Geoff Wilson is a director of both Century and WAM Leaders and therefore an IER is required for inclusion in a scheme booklet which states whether, in the expert’s opinion, the proposed scheme is fair and reasonable and in the best interests of target shareholders.

Accordingly, the Directors have requested that BDOCF prepare this IER to accompany the Scheme Booklet required to be provided to the Century Shareholders to enable them to assess the Proposed Scheme and to decide whether to approve the Proposed Scheme.

2.3. Basis of Assessment

In determining whether the Proposed Scheme is fair and reasonable and in the best interest to Century Shareholders we have had regard to:

- RG 111 ‘Content of expert reports’
- RG 112 ‘Independence of experts’

RG 111 establishes two distinct criteria for an expert analysing a control transaction. The tests are:

- Is the offer ‘fair’?
- Is it ‘reasonable’?

RG 111 indicates that an independent expert would be able to conclude that the scheme of arrangement was in the best interests of the shareholders if they consider a proposal is “fair and reasonable.”

The terms fair and reasonable are regarded as separate elements and are not regarded as a compound phrase.

2.3.1. Fair

RG 111.11 indicates that an offer is ‘fair’ if the value of the offer price or consideration is equal to or greater than the value of the securities the subject of the offer.

The value of the securities the subject of the offer is determined assuming:

- A knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length.
- 100% ownership of the target company, irrespective of the percentage holding of the bidder or its associates in the target company.

The Proposed Scheme will be fair if the Scheme Consideration is equal to or greater than the value of the securities the subject of the Proposed Scheme (i.e. the FMV of a Century Share pre-implementation on a control basis).

2.3.2. Reasonable

In accordance with paragraph 12 of RG 111, an offer is 'reasonable' if it is 'fair'. An offer could be considered 'reasonable' if there are valid reasons to approve it (in the absence of any higher bid before the close of the offer), notwithstanding that it may not be regarded as 'fair'.

RG 111.13 sets out some of the factors that an expert might consider in assessing the reasonableness of an offer, including:

- The bidder's pre-existing voting power in securities in the target.
- Other significant security holding blocks in the target.
- The liquidity of the market in the target's securities.
- Taxation losses, cash flow or other benefits through achieving 100% ownership of the target.
- Any special value of the target to the bidder, such as particular technology, the potential to write off outstanding loans from the target, etc.
- The likely market price if the offer is unsuccessful.
- The value to an alternative bidder and likelihood of an alternative offer being made.

2.3.3. General requirements in relation to the IER

In preparing the IER, ASIC requires the independent expert when deciding on the form of analysis for a report, to bear in mind that the main purpose of the report is to adequately deal with the concerns that could reasonably be anticipated of those persons affected by the Proposed Scheme. In preparing the IER we considered the necessary legal requirements and guidance of the Act, ASIC regulatory guides and commercial practice.

The IER also includes the following information and disclosures:

- Particulars of any relationship, pecuniary or otherwise, whether existing presently or at any time within the last two years, between BDO East Coast Partnership or BDOCF and any of the parties to the Proposed Scheme.
- The nature of any fee or pecuniary interest or benefit, whether direct or indirect, that we have received or will or may receive for or in connection with the preparation of the IER.
- We have been appointed as independent expert for the purposes of providing an IER for the Scheme Booklet.
- That we have relied on information provided by the Directors and Management of Century and that we have not carried out any form of audit or independent verification of the information provided.
- That we have received representations from the Directors in relation to the completeness and accuracy of the information provided to us for the purpose of our IER.

2.4. Special Value

We have not considered special value in forming our opinion. Special value is the amount that a potential acquirer may be prepared to pay for a business in excess of the FMV. This premium represents the value to the particular potential acquirer of potential economies of scale, reduction in competition, other synergies and cost savings arising from the acquisition under consideration not available to likely purchasers generally. Special value is not normally considered in the assessment of FMV as it relates to the individual circumstances of special purchasers.

2.5. Reliance on Information

This IER is based upon financial and other information provided by the Directors, Management and other representatives of Century. We have also been provided with information directly by representatives of WAM Leaders. We have considered and relied upon this information. Unless there are indications to the contrary, we have assumed that the information provided was reliable, complete and not misleading, and material facts were not withheld. The information provided was evaluated through analysis, inquiry and review for the purpose of forming an opinion as to whether the Proposed Scheme is fair and reasonable and in the best interest of Century Shareholders in the absence of a superior proposal.

We do not warrant that our inquiries have identified or verified all of the matters which an audit, extensive examination or “due diligence” investigation might disclose. In any event, an opinion as to whether a corporate transaction is fair and reasonable is in the nature of an overall opinion rather than an audit or detailed investigation.

It is understood that the accounting information provided to us was prepared in accordance with generally accepted accounting principles.

Where we relied on the views and judgement of management the information was evaluated through analysis, inquiry and review to the extent practical. However, such information is often not capable of direct external verification or validation.

Under the terms of our engagement, Century has agreed to indemnify BDOCF and BDO East Coast Partnership, and their partners, directors, employees, officers and agents (as applicable) against any claim, liability, loss or expense, costs or damage, arising out of reliance on any information or documentation provided, which is false or misleading or omits any material particulars, or arising from failure to supply relevant documentation or information.

2.6. Limitations

We acknowledge that this IER may be lodged by the Directors with regulatory and statutory bodies and will be included in the Scheme Booklet to be sent to the Century Shareholders. The Directors acknowledges that our IER has been prepared solely for the purposes noted in the Scheme Booklet and accordingly we disclaim any responsibility from reliance on the IER in regard to its use for any other purpose. Except in accordance with the stated purposes, no extract, quote or copy of the IER, in whole or in part, should be reproduced without our prior written consent, as to the form and context in which it may appear.

It was not our role to undertake, and we have not undertaken any commercial, technical, financial, legal, taxation or other due diligence, other similar investigative activities in respect of Century. We understand that the Directors have been advised by legal, accounting, tax and other appropriate advisors in relation to such matters as necessary. We provide no warranty or guarantee as to the existence, extent, adequacy, effectiveness and/or completeness of any due diligence or other similar investigative activities by the Directors or their advisors.

We note that the IER does not deal with the individual investment circumstances of Century Shareholders and no opinion has been provided in relation to same. Some individual Century Shareholders may place a different emphasis on various aspects of the Proposed Scheme from that adopted in our IER. Accordingly, individuals may reach different conclusions on whether or not the Proposed Scheme is fair and reasonable and in their best interests. An individual Century Shareholder’s decision in relation to the Proposed Scheme may be influenced by their particular circumstances and, therefore, Century Shareholders are advised to seek their own independent advice.

Apart from the IER, we are not responsible for the contents of the Scheme Booklet or any other document. We have provided consent for inclusion of the IER in the Scheme Booklet. Our consent and the Scheme Booklet acknowledge that we have not been involved with the issue of the Scheme Booklet and that we accept no responsibility for the Scheme Booklet apart from the IER.

2.7. Assumptions

In forming our opinion, we have made certain assumptions and outline these in our IER including:

- Assumptions outlined in the valuation sections.
- That matters such as title to all relevant assets, compliance with laws and regulations and contracts in place are in good standing, and will remain so, and that there are no material legal proceedings, other than as publicly disclosed.
- Information sent out in relation to the Proposed Scheme to Century Shareholders or any regulatory or statutory body is complete, accurate and fairly presented in all material respects.
- Publicly available information relied on by us is accurate, complete and not misleading.
- If the Proposed Scheme is implemented, that it will be implemented in accordance with the stated terms.
- The legal mechanisms to implement the Proposed Scheme are correct and effective.
- There are no undue changes to the terms and conditions of the Proposed Scheme or material issues unknown to us.

3. PROFILE OF CENTURY

3.1. Overview

Century is a Sydney based LIC, investing in the public equity markets of Australia. Century has an investment management agreement with MAM, an entity forming part of Wilson Asset Management. The investment objectives of Century are to deliver investors a stream of fully franked dividends, provide capital growth over the medium-to-long term and preserve the capital of the Company.

Century was founded and listed on the ASX in 2004. The Company was initially established to provide investors with access to the investment style and expertise of 452 Capital Pty Ltd. 452 Capital Pty Ltd was a Sydney based, independent funds management company founded in 2002 by Peter Morgan and Warwick Negus. On 9 September 2010, CYA advised the market that the transition of investment management from 452 Capital Pty Ltd to Perennial Value Management Limited had occurred. On 18 April 2017, the shareholders of the Company approved a restructure of Century whereby Wilson Asset Management was appointed as the Company's investment manager.

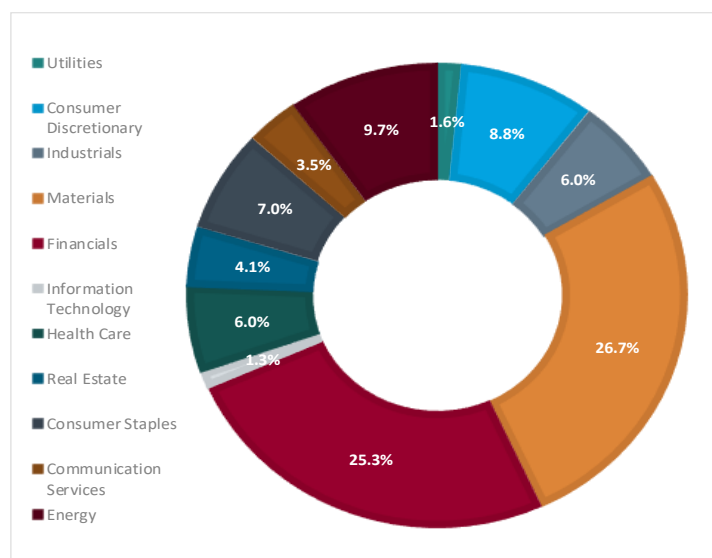
3.1.1. Century Management Agreement

MAM charges Century a management fee of 0.0833334% per month or 1% per annum (plus GST) of the value of the portfolio. The management fees related to FY18 were \$1,034,187. MAM is also entitled to a performance fee payable at a rate of 20% of the outperformance of the portfolio to the S&P/ASX 300 Accumulation Index subject to the recoupment of the prior underperformance. For FY18, the performance fee was \$232,239. The term of the Century Management Agreement is for an initial term of five years and is automatically extended for further five year terms and can be terminated by the MAM at any time after the initial five-year term by giving Century six months' notice.

3.1.2. Investment Portfolio

Century's investment allocation as at 31 October 2018 is summarised below.

Figure 2: Century Investment Allocation by Sector



Source: Century Management

As at 31 October 2018, Century's investment portfolio comprised 67 companies, with investments in the following industries: Utilities, Consumer Discretionary, Industrials, Materials, Financials, Information Technology, Health Care, Real Estate, Consumer Staples, Communication Services, and Energy. Approximately 26.7% of the portfolio based upon value traded is in the Materials sector, while the Financials sector comprises c. 25.3% of the value of the portfolio as at 31 October 2018.



The top 10 equity holdings of Century's portfolio as at 31 October 2018 are shown below.

Table 4: Century top 10 equity positions as at 31 October 2018

Ticker	Name
BHP	BHP Group Limited
CSL	CSL Limited
MQG	Macquarie Group Limited
NAB	National Australia Bank Limited
QBE	QBE Insurance Group Limited
RIO	Rio Tinto Limited
TAH	Tabcorp Holdings Limited
WBC	Westpac Banking Corporation
WPL	Woodside Petroleum Ltd
WOW	Woolworths Group Limited

Source: Century Management

3.1.3. Investment Performance

For FY18, the Century Portfolio outperformed the S&P/ASX 300 Accumulation Index ("**Benchmark**") by 1.4%, with the Portfolio increasing 14.6% (before expenses, fees and taxes).

A key driver of the Century portfolio outperforming the Benchmark was the investment team's selection of companies with exposure to the energy and materials sectors. Companies selected with exposure to the energy and materials sectors include Origin Energy Limited (ASX:ORG), Woodside Petroleum Limited (ASX:WPL) and BHP Billiton Limited (ASX: BHP), which benefitted from rising oil prices due to supply cuts led by the Organisation of the Petroleum Exporting Countries. CSL Limited (ASX: CSL) was an outperformer, with earnings momentum driving the share price higher.

For the year-to-date ("**YTD**") period ending 31 October 2018, the Century Portfolio outperformed the Benchmark by 0.2%. The Portfolio outperformed the Benchmark by 2.2% per annum in the period from Wilson Asset Management's appointment on 19 April 2017 to 31 October 2018.

The performance of Century's portfolio against the benchmark index as at 31 October 2018 is summarised below.

Table 5: Performance comparison

Performance at 31 October 2018 (per annum)	1 Month	YTD	1 Year	Since Inception
Century Investment Portfolio	-5.7%	-4.5%	4.1%	6.4%
S&P/ASX 300 Accumulation Index	-6.2%	-4.7%	2.9%	4.2%
Outperformance	+0.5%	+0.2%	+1.2%	+2.2%

Note: Since inception relates to the performance period after the appointment of MAM on 19 April 2017.

Source: Century Management



3.1.4. Directors and Management

The Directors and key Management personnel are listed below.

Table 6: Directors and Key Management

Name	Position	Brief resume
Robert Turner	Non-Executive Director and Chairman; Member of Audit Committee	<p>Mr Robert Turner was Managing Director of IOOF Holdings Ltd and a Director of a number of IOOF Group subsidiaries for 8 years until April 2004. During this period, IOOF successfully underwent a major strategic change, demutualised and listed on the ASX in December 2003. The success of these programs established IOOF as a leading financial services group. IOOF Perennial won the coveted Morningstar Fund Manager of the year award in 2002.</p> <p>Robert has a strong finance and marketing background and over 30 years of experience in corporate management, both in Australia and overseas. Prior to joining IOOF as Group Managing Director, he held general management positions in the services and manufacturing industries. Previous Directorships also included Managing Director of SICPA Australia, Chairman of Emhart Australia and Director of IWL Limited.</p>
Stephen Menzies	Non-Executive Director and Chairman of the Audit Committee	<p>Stephen Menzies was previously a partner and is now working as a consultant with Ashurst, specialising in securities issues, product development, funds management, corporate finance and new technologies.</p>
Ross Finley	Non-Executive Director and Member of the Audit Committee	<p>Ross Finley has over 40 years of experience in the Australian financial markets with a focus on Australian Equities and Australian Property Management. He was employed at Bankers Trust Australia from 1981 to 1996, as an Executive Vice President of the funds management division from 1984, and as a member of the Asset Allocation Committee with prime responsibility for Australian Equities and Property within the wholesale investment area</p>
Geoffrey Wilson	Non-Executive Director	<p>Geoff Wilson has over 38 years' direct experience in investment markets having held a variety of senior investment roles in Australia, the UK and the US. Geoff founded Wilson Asset Management in 1997. Geoff created Australia's first listed philanthropic wealth creation vehicles, Future Generation Investment Company and Future Generation Global Investment Company. Geoff holds a Bachelor of Science, a Graduate Management Qualification and is a Fellow of the Financial Services Institute of Australia and the Australian Institute of Company Directors.</p>

Source: Century public filings



3.2. Financial Performance

The audited income statements for the financial years ended 30 June 2017 (“FY17”) and 30 June 2018 (“FY18”) are set out in the table below.

Table 7: Summary of financial performance

\$'000	Audited FY17	Audited FY18
Investment Income from Ordinary Activities	3,439	11,315
Management Fees	(422)	(964)
Performance Fees	-	(216)
Brokerage Fees	(18)	(199)
Accounting Fees	(62)	(56)
Share Registry Fees	(47)	(72)
Company Secretarial Fees	-	(30)
Custody Fees	(72)	(49)
Legal Fees	(1)	(3)
Directors' Fees	(115)	(119)
ASX Fees	(46)	(51)
Audit Fees	(48)	(54)
Other Expenses	(59)	(89)
Total Expenses	(890)	(1,902)
Profit before Income Tax	2,549	9,413
Income (Tax Expense)/Benefit	1,049	(1,996)
Profit after Income Tax	3,598	7,417
Other comprehensive income		
<i>Items that will not be reclassified to profit or loss</i>		
Net unrealised gains on investments taken to equity	3,495	937
Income tax relating to unrealised gains on investments taken to equity	(966)	(364)
Net realised gains on investments taken to equity	4,330	505
Income tax relating to realised gains on investments taken to equity	(1,679)	226
Other comprehensive income for the year, net of tax	5,180	1,304
Total comprehensive income for the year	8,778	8,721

Source: Century 2018 annual report

We note the following regarding Century’s historical financial performance:

- The Century portfolio increased 14.8% in FY17, outperforming the Benchmark by 1.0%.
- The Company recorded net profit after tax of c. \$3.6 million for FY17.
- The Century portfolio increased 14.6% in FY18 (before expenses, fees and taxes), outperforming the Benchmark by c. 1.4%.
- Net profit after tax for FY18 of c. \$7.4 million represents an increase of c. \$3.8 million as compared the FY17. Per Management, the increase in profit is attributable to net gains from the trading portfolio which was in operation for a full year, compared to less than a month of trading in the prior year.
- The Century portfolio decreased 4.5% for the YTD period ending 31 October 2018, outperforming the Benchmark by 0.2%.

3.3. Financial Position

The audited statements of financial position of Century as at 30 June 2017 and 30 June 2018, as well as the financial position as at 31 October 2018 are set out below.

Table 8: Statement of financial position

\$'000	Audited FY17	Audited FY18	Actual 31-Oct-18
Cash and Cash Equivalents	20,557	17,222	12,593
Trade and Other Receivables	582	1,834	1,026
Financial Assets at Fair Value through Profit or Loss	9,144	41,999	46,416
Other Current Assets	23	70	17
Total Current Assets	30,306	61,125	60,053
Financial Assets at Fair Value through other Comprehensive Income	60,243	38,482	33,545
Deferred Tax Assets	6,032	5,693	5,956
Total Non-Current Assets	66,275	44,175	39,501
Total Assets	96,581	105,300	99,554
Trade and Other Payables	1,726	1,896	2,537
Current Tax Liabilities	-	492	1,010
Total Current Liabilities	1,726	2,388	3,547
Deferred Tax Liabilities	607	1,873	-
Total Non-Current Liabilities	607	1,873	-
Total Liabilities	2,333	4,261	3,547
Net Assets	94,248	101,039	96,007
<i>Shares Outstanding ('000)</i>	<i>94,269</i>	<i>94,269</i>	<i>94,269</i>
NTA per financial statements			
Tangible Assets	96,581	105,300	99,554
Total Liabilities	2,333	4,261	3,547
<i>Net Tangible Assets (Post-Tax)</i>	<i>94,248</i>	<i>101,039</i>	<i>96,007</i>
<i>Net Tangible Assets per Share (Post-Tax) (\$)</i>	<i>1.000</i>	<i>1.072</i>	<i>1.018</i>
Tangible Assets (Excl. Current and Deferred Tax Assets)	90,549	99,607	93,598
Total Liabilities (Excl. Current and Deferred Tax Liabilities)	1,726	1,896	2,537
<i>Net Tangible Assets (Pre-Tax)</i>	<i>88,823</i>	<i>97,711</i>	<i>91,061</i>
<i>Net Tangible Assets per Share (Pre-Tax) (\$)</i>	<i>0.942</i>	<i>1.037</i>	<i>0.966</i>

Source: Century 2018 annual report and Century Management

Note: Net tangible asset figures do not incorporate realisation costs.

We note the following regarding Century's statement of financial position information:

- The NTA per share (before tax) of Century increased from \$0.94 to \$1.04 in FY18, after the payment of dividends during the year. Century's net tangible assets increased from c. \$94.2 million to \$101.0 million in FY18, reflective of the Portfolio performance during the year.
- Century paid dividends of 2.09 cents per share during FY18. Further, the Board declared a final dividend of 2.0 cents per share bringing total dividends paid for the 2018 financial year to 4.09 per share.

Table 9: Century NTA per ASX listing requirements

\$	FY17	FY18	31-Oct-18
NTA per ASX listing requirements			
<i>Net Tangible Assets per Share (Post-Tax)</i>	0.960	0.991	1.070
<i>Net Tangible Assets per Share (Pre-Tax)</i>	0.861	0.941	1.035

Source: Century FY18 annual report and Century NTA reports

- NTA per the ASX listing requirements include the following adjustments:
 - Reducing the value of investments by costs expected to be incurred in realising the proceeds of disposing the investments (portfolio realisation costs);
 - Reducing the value of investments by any applicable intangible assets;
 - Provisions for tax on realised income and gains;
 - Provisions for tax on estimated unrealised income and gains;
 - Provisions for declared, but unpaid dividends, or distributions; and
 - Provisions for unpaid management fees paid.

3.4. Capital structure

A summary of Century's ordinary shares on issue as at 23 November 2018 is shown below.

Table 10: Century's ordinary shares on issue

Security	Number of Securities
Fully Paid Ordinary Shares	94,268,790
Total Securities	94,268,790

Source: Capital IQ and BDOCF analysis



3.5. Ownership

As of 23 November 2018, Century had 94,268,790 fully paid ordinary shares on issue. The top 20 shareholders collectively own c. 23.8% of the equity interest in Century. The largest shareholder, Sysha Pty Ltd, owns c. 4.8%.

The top 20 Century Shareholders as at 23 November 2018 are shown below.

Table 11: Century top 20 shareholders

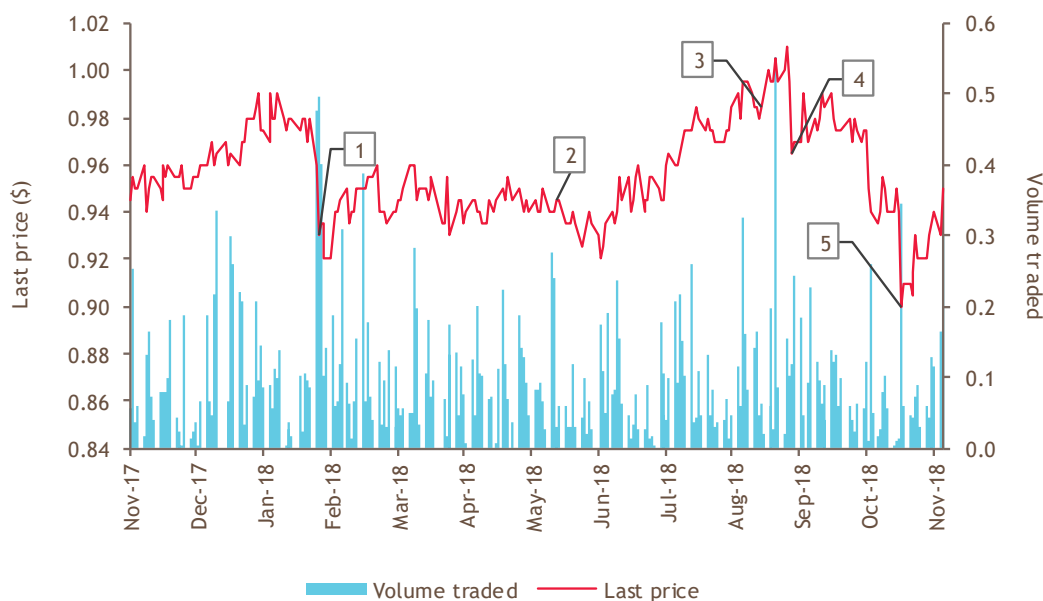
Rank	Shareholder	Current Shares	% of Total Shares
1	Sysha Pty Ltd	4,500,000	4.8%
2	LEKK Pty Ltd	3,125,000	3.3%
3	G W Holdings Pty Ltd	2,083,333	2.2%
4	Jorlyn Pty Ltd	2,000,000	2.1%
5	Mr Warwick Sauer	1,281,845	1.4%
6	Mr Victor John Plummer	1,200,000	1.3%
7	Greybox Holdings Pty Ltd	1,003,788	1.1%
8	LIC Investments Pty Ltd	830,000	0.9%
9	Halcyon Pty Ltd	715,000	0.8%
10	Dr Peter Sutherland Anderson & Ms Elizabeth Mcdowall	660,000	0.7%
11	English Family Super Fund Pty Ltd	656,250	0.7%
12	BT Portfolio Services Limited	619,501	0.7%
13	Securities & Estates Pty Ltd	572,916	0.6%
14	BT Portfolio Services Limited	496,695	0.5%
15	R W Kirby Pty Ltd	479,166	0.5%
16	Dynasty Peak Pty Ltd	470,594	0.5%
17	Supentian Pty Limited	450,000	0.5%
18	I & R Simpson Super Pty Ltd	449,351	0.5%
19	Jarhamche Pty Ltd	434,000	0.5%
20	VBW Pty Ltd	408,380	0.4%
Sub-total		22,435,819	23.8%
Remaining shareholders		71,832,971	76.2%
Total		94,268,790	100.0%

Source: Century Management

3.6. Historical share trading analysis

Century's share price movements for the 12 months to 13 November 2018 are shown below.

Figure 3: Daily closing share price and trading volume (13 November 2017 to 13 November 2018)



Source: Capital IQ

We note the following key movements from the chart above:

1. Century's share price fell to \$0.92 on 6 February 2018 (c. 5% as compared to the beginning of February) due in part to broad market declines as markets throughout Asia and the United States fell.
2. On 12 February 2018, Century advised the resignation of Non-Executive Director Mr. Chris Stott effective May 2, 2018. Stott was appointed a Non-Executive Director of Century in April 2017.
3. On 24 August 2018, Century announced, for FY18, an operating profit of before tax of \$9.4 million, a 269% increase on the previous year (FY17).
4. On 14 September 2018, Century released its investment update as at August 2018, reporting pre-tax net tangible assets per share of \$1.04 and gross assets of \$98.3 million.
5. Century's share price fell to \$0.90 on 25 October 2018 (c. 6% as compared to the share price as at 17 October 2018) due to volatility in the broad market.

3.6.1. Volume Weighted Average Price

Century's volume weighted average price ("VWAP") over the 12-month period preceding the announcement of the Proposed Scheme (announced on 13 November 2018) is set out in the table below.

Table 12: Century VWAP analysis (to 13 November 2018)

Period	Price (Low)	Price (High)	Price VWAP	Cumulative value	Cumulative volume	% of issued capital
	\$	\$	\$	\$m	m	
1 day	0.94	0.95	0.95	0.28	0.30	0.3%
1 week	0.92	0.95	0.94	0.69	0.73	0.8%
1 month	0.88	0.96	0.93	1.70	1.83	1.9%
3 months	0.88	1.02	0.97	6.45	6.66	7.1%
6 months	0.88	1.02	0.96	11.51	11.97	12.7%
12 months	0.88	1.02	0.96	24.22	25.31	26.8%

Source: Capital IQ, BDOCF analysis



We note the following with respect to the VWAP analysis displayed above:

- The VWAP of Century has remained relatively stable over the preceding 12 months to the announcement of the Proposed Scheme.
- The price of Century Shares over the 12-month period preceding the Proposed Scheme ranged from \$0.88 to \$1.02.
- Over the 12-month period immediately preceding the Proposed Scheme, the cumulative value of Century Shares traded was c. \$24.2 million.

4. PROFILE OF WAM LEADERS

4.1. Overview

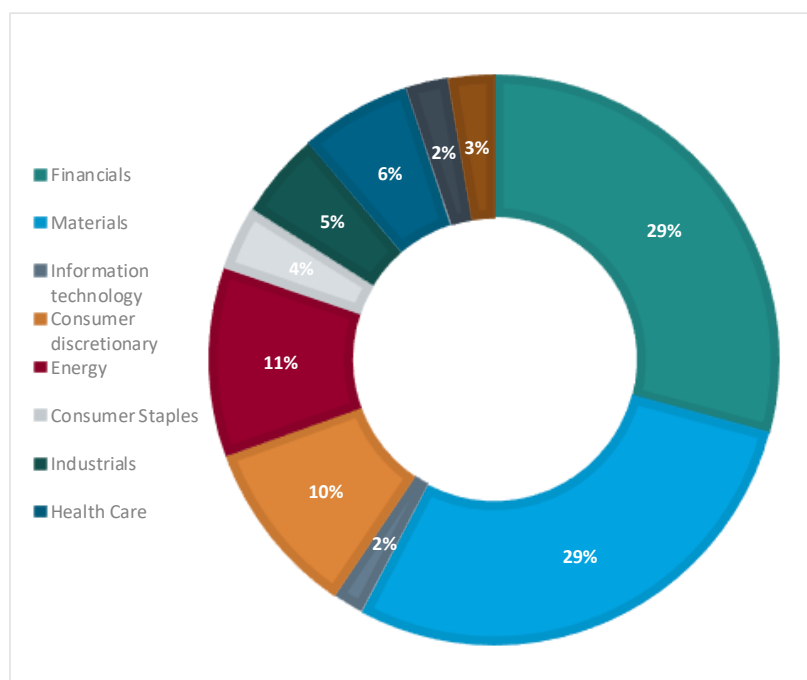
WAM Leaders is a LIC managed by MAM, an entity forming part of Wilson Asset Management. WAM Leaders provides investors with diversified exposure to a portfolio of undervalued growth companies primarily within the S&P/ASX 200 Index. The Company's investment objectives are to deliver a stream of fully franked dividends, provide capital growth over the medium-to-long term and preserve capital. WAM Leaders was listed in May 2016 and as at 30 June 2018 had gross assets of \$864.2 million and a market capitalisation of \$808.7 million.

Wilson Asset Management was established in 1997 by Geoff Wilson, and employs 30 staff of which 11 relate to the investment management team who have over 140 years of combined investment experience and a total focus on managing money. MAM is WAM Leaders' investment manager and was incorporated in 2002 by Wilson Asset Management to undertake active management of LIC's and unlisted funds.

4.1.1. Investment portfolio

WAM Leaders' investment allocation as at 31 October 2018 is summarised as follows.

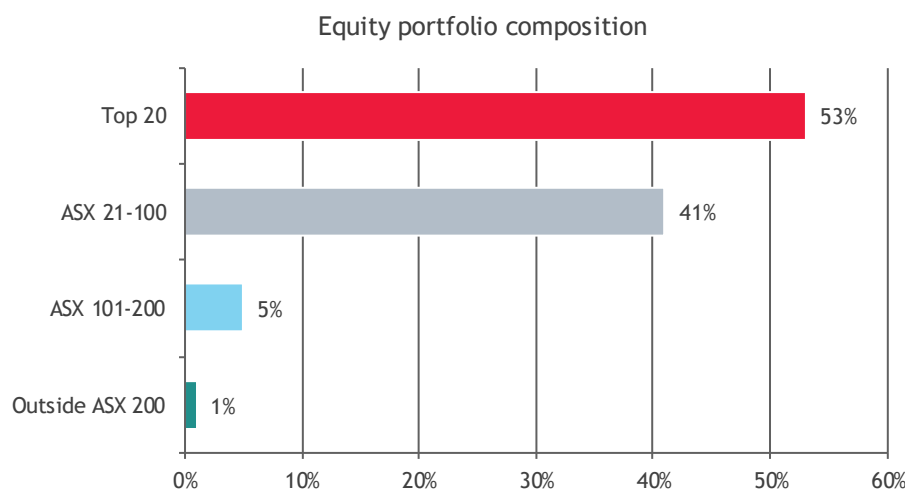
Figure 4: WAM Leaders portfolio overview



Source: Management

As at 31 October 2018, WAM Leaders' Investment portfolio comprised 62 companies spread over 10 Industry categories, which include Financials, Materials, Information Technology, Consumer discretionary, Energy, Consumer Staples, Industrials, Health Care, Real Estate and Communication Services. WAM Leaders' highest exposure was to Financials and Materials sectors with each being c. 29.19% and c. 28.53%, respectively of WAM Leaders' total investment portfolio. The portfolio has ASX exposure, with c. 53% being weighted to the ASX Top 20 as noted in the table below.

Figure 6: WAM Leaders portfolio composition



Source: Capital IQ, BDOCF analysis, management reports

The top 10 equity holdings of the WAM Leaders investment portfolio as at 31 October 2018 are shown in the table below.

Table 13: WAM Leaders top 10 equity positions as at 31 October 2018

Ticker	Name
ALL	Aristocrat Leisure Limited
BHP	BHP Billiton Limited
CBA	Commonwealth Bank of Australia
CSL	CSL Limited
MQG	Macquarie Group Limited
NAB	National Australia Bank Limited
QBE	QBE Insurance Group Limited
RIO	Rio Tinto Limited
TAH	Tabcorp Holdings Limited
WPL	Woodside Petroleum Limited

Source: WAM Leaders Management

4.1.2. Portfolio performance

There are three key measures that WAM Leaders utilises to measure its performance, which are also market proxies, being

- investment portfolio performance;
- net tangible asset growth; and
- total shareholder returns (“TSR”).

Investment portfolio performance measures the growth of an underlying portfolio of equities and cash before expenses, fees and taxes.

WAM Leaders’ benchmark is to outperform the S&P/ASX 200 Accumulation Index, by growing the portfolio at a greater rate, which is classified as outperformance (“**Outperformance**”). Outperformance is measured by utilising the S&P/ASX 200 Accumulation Index before expenses, fees and taxes.

NTA growth is measured as the change in the value of WAM Leaders’ assets, less liabilities and costs (including taxation, management and performance fees) and is essentially the realisable value of WAM Leaders.

TSR measures the tangible value shareholders gain from share price growth and dividends paid over the period.

Table 14: WAM Leaders portfolio performance

Performance as at 31 October 2018 (per annum)	1 month	Financial YTD	1 Year	Since inception %
WAM Leaders Investment portfolio	-5.2%	-4.4%	5.4%	9.6%
S&P/ASX 200 Accumulation index	-6.1%	-4.6%	2.9%	7.8%
Outperformance	+0.9%	+0.2%	+2.5%	+1.8%

Source: WAM Leaders October portfolio update

Although the portfolio decreased by 5.2%, the S&P/ASX Accumulation Index decreased by 6.1%, which is an Outperformance of 0.9% for the month of October. For the financial year-to-date and 1 Year period, WAM Leaders had an Outperformance percentage of 0.2% and 2.5%, respectively, with an Outperformance of 1.8% per annum since inception of the LIC.

4.1.3. Directors and Management

The current directors and key management personnel are listed below.

Table 15: WAM Leaders Directors and Key Management

Name	Position	Brief resume
Geoff Wilson AO	Chairman	Geoff has over 38 years' direct experience in investment markets having held a variety of senior investment roles in Australia, the UK and the US. Geoff founded the Manager in 1997. Geoff created Australia's first listed philanthropic wealth creation vehicles, Future Generation Investment Company and Future Generation Global Investment Company. Geoff holds a Bachelor of Science, a Graduate Management Qualification and is a Fellow of the Financial Services Institute of Australia and the Australian Institute of Company Directors.
Kate Thorley	Non-Independent Director	Kate Thorley has over 13 years' experience in the funds management industry and more than 19 years of financial accounting and corporate governance experience. Kate is the CEO of Wilson Asset Management (International) Pty Limited, Director of WAM Capital Limited, WAM Active Limited, WAM Research Limited, WAM Microcap Limited, WAM Global Limited and Future Generation Investment Company Limited. Kate is the company secretary of Future Generation Global Investment Company Limited. She holds a Bachelor of Commerce, a Graduate Diploma in Applied Finance and Investment, Graduate Diploma of Applied Corporate Governance and is a fully qualified CA. She is a member of the Australian Institute of Company Directors.
Melinda Snowden	Independent Director	Melinda Snowden's qualifications and accreditations include: Bachelor of Economics and Bachelor of Laws, Graduate Diploma in Applied Finance and Investment, Graduate of the AICD and Fellow of FINSIA. Melinda was an investment banker with Grant Samuel, Merrill Lynch and Goldman Sachs in Australia and New York, with 24 years' experience in financial markets. Melinda was a non-executive Director of MLC Limited, the wealth management division of NAB and a number of its associated boards between 2009 and 2014 and is a former non-executive Director of Vita Group Limited, an ASX listed electronics and telecommunications retailer (between 2008 and 2011).
Lindsay Mann	Independent Director	Lindsay Mann has more than 40 years' financial experience. He was formerly Chairman of Premium Investors Pty Limited (formerly Premium Investors Limited). Prior to that Lindsay was CEO (Singapore) and Regional Head Asia for First State Investments, the Asian business of Colonial First State Global Asset Management. Prior to this, Lindsay was CEO of AXA Investment Managers in Hong Kong. He is a Fellow of the Institute of Actuaries of Australia and a Graduate member of the AICD. Lindsay Mann is currently an independent non-executive director of UCA Funds Management Limited and an independent Director of WAM Capital Limited (appointed December 2012).

Source: WAM Leaders 2018 annual report



4.2. Financial Performance

The income statements for the 16 months ended 30 June 2017 (“16M17”) and the financial year ended 30 June 2018 are set out in the table below.

Table 16: Summary of financial performance

\$'000	Audited 16M17	Audited FY18
Net Realised and Unrealised Gains on Financial Assets	35,696	93,244
Other Revenue from Operating Activities	12,509	21,753
Total revenue	48,205	114,998
Performance Fees	-	(3,318)
Management Fees	(4,794)	(7,527)
Directors Fees	(99)	(90)
Brokerage Expense on Share Purchases	(2,621)	(2,880)
Expenses Paid on Borrowed Stock	(713)	-
Custody Fees	(34)	(65)
ASX Listing and Chess Fees	(155)	(136)
Share Registry Fees	(236)	(182)
Disbursements, Mailing and Printing	(54)	(95)
Other Expenses from Ordinary Activities	(211)	(241)
Total Operating Expenses	(8,917)	(14,535)
Profit before Income Tax	39,288	100,462
Income Tax Expense	(10,110)	(25,902)
Profit after Income Tax	29,178	74,560
Other comprehensive income		
Other comprehensive income for theyear, net of tax	-	-
Total comprehensive income for the year	29,178	74,560

Source: WAM Leaders 2018 annual report

We note the following regarding WAM Leaders’ historical financial performance:

- Revenue is generated from two major streams being, net realised and unrealised gains on financial assets (shares in the portfolio) and other revenue from operating activities which include, *inter alia*, interest income, dividends and underwriting fees.
- The significant growth in revenue between 16M17 and FY18 is predominantly a result of strong performance by the investment portfolio which grew by c. 17.8% for the period, as well as the successful option capital raising, which saw the portfolio grow by \$320.5 million in the 12 months to June 2018.
- The portfolio outperformed the S&P/ASX 200 Accumulation Index by 4.8% for FY18 and by 0.2% for the four-month period ending 31 October 2018.
- WAM Leaders recorded a pre-tax profit of \$39.3 million and \$100.5 million for 16M17 and FY18, respectively.
- Operating costs increased by 3% between 16M17 and FY18.
- The increase in the management fees between 16M17 and FY18 is directly as a result of the increase in the portfolio. Management fees charged by MAM are c. 1% of the portfolio value.
- Performance fees incurred during FY18 are as a result of the outperformance of the portfolio and amount to c. 0.4% of the Portfolio value.

4.3. Financial Position

The statements of financial position for the 16 months ended 30 June 2017 and the financial year ended 30 June 2018, and the four months ended 31 October 2018 are set out in the table below.

Table 17: Statement of financial position

\$'000	Audited 16M17	Audited FY18	Actual 31-Oct-18
Cash and Cash Equivalents	102,573	119,612	131,731
Trade and Other Receivables	17,189	15,126	15,158
Financial Assets at Fair Value through Profit or Loss	371,442	749,238	713,382
Total Current Assets	491,203	883,975	860,271
Deferred Tax Assets	1,336	896	890
Total Non-Current Assets	1,336	896	890
Total Assets	492,539	884,871	861,162
Trade and Other Payables	12,084	24,366	58,733
Current Tax Liabilities	5,783	7,006	5,849
Total Current Liabilities	17,866	31,372	64,582
Deferred Tax Liabilities	3,452	17,042	2,869
Total Non-Current Liabilities	3,452	17,042	2,869
Total Liabilities	21,318	48,414	67,451
Net Assets	471,221	836,457	793,711
<i>Shares Outstanding ('000)</i>	<i>410,269</i>	<i>703,204</i>	<i>704,136</i>
NTA per financial statements			
Tangible Assets	492,539	884,871	861,162
Total Liabilities	21,318	48,414	67,451
<i>Net Tangible Assets (Post-Tax)</i>	<i>471,221</i>	<i>836,457</i>	<i>793,711</i>
<i>Net Tangible Assets per Share (Post-Tax)</i>	<i>1.149</i>	<i>1.189</i>	<i>1.127</i>
Tangible Assets (Excl. Current and Deferred Tax Assets)	491,203	883,975	860,271
Total Liabilities (Excl. Current and Deferred Tax Liabilities)	12,084	24,366	58,733
<i>Net Tangible Assets (Pre-Tax)</i>	<i>479,120</i>	<i>859,609</i>	<i>801,538</i>
<i>Net Tangible Assets per Share (Pre-Tax)</i>	<i>1.168</i>	<i>1.222</i>	<i>1.138</i>
\$			
	FY17	FY18	31-Oct-18
NTA per ASX listing requirements			
<i>Net Tangible Assets per Share (Post-Tax)</i>	<i>1.147</i>	<i>1.187</i>	<i>1.127</i>
<i>Net Tangible Assets per Share (Pre-Tax)</i>	<i>1.166</i>	<i>1.220</i>	<i>1.125</i>

Source: WAM Leaders 2018 annual report

Note: Net tangible asset figures do not incorporate realisation costs.

We note the following regarding WAM Leaders' statement of financial position information:

- Net assets increased by c. 78% between 16M17 and FY18. This increase is predominantly due to the successful option capital raising of \$320.5 million in the 12 months to June 2018.
- WAM Leaders recognises deferred tax using the balance sheet method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The company recognised deferred tax assets in FY18 of \$896,000 (FY17: \$1.3 million) and deferred tax liabilities in FY18 of \$17.0 million (FY17: \$3.5 million).

Table 18: WAM Leaders NTA per ASX listing requirements

\$	FY17	FY18	31-Oct-18
NTA per ASX listing requirements			
<i>Net Tangible Assets per Share (Post-Tax)</i>	1.147	1.187	1.127
<i>Net Tangible Assets per Share (Pre-Tax)</i>	1.166	1.220	1.125

Source: WAM Leaders FY18 annual report and WAM Leaders NTA reports

4.4. Capital structure

A summary of WAM Leaders' ordinary shares on issue as at 31 October 2018 is shown below.

Table 19: WAM Leaders' ordinary shares on issue

Security	Number of Securities
Fully Paid Ordinary Shares (excluding treasury shares)	704,135,905
Total Securities	704,135,905

Source: CapitalIQ

4.5. Ownership

As of 23 November 2018, WAM Leaders had 704,135,905 fully paid ordinary shares on issue. The top 20 shareholders collectively own c. 11% of the equity interest in WAM Leaders. The largest shareholder, HSBC Custody Nominees (Australia) Limited, owns c. 1.74%.

The top 20 Shareholders as at 23 November 2018 are shown below.

Table 20: WAM Leaders top 20 shareholders

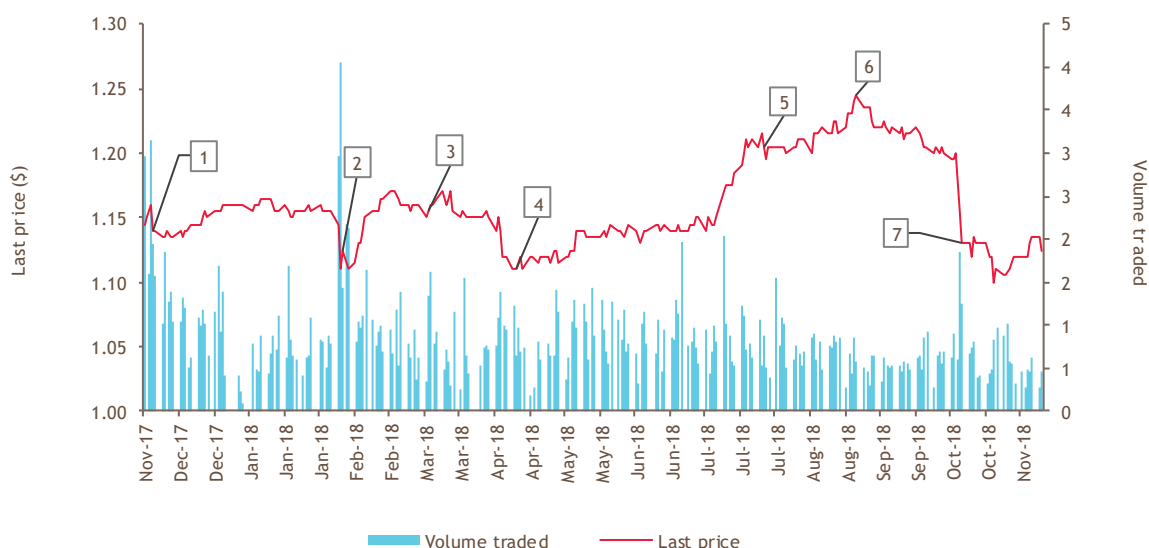
Rank	Shareholder	Securities outstanding	% Ownership
1	HSBC Custody Nominees (Australia) Limited	12,258,764	1.74%
2	Netwealth Investments Limited	7,825,320	1.11%
3	Australian Investors Pty Ltd	7,520,546	1.07%
4	Navigator Australia Ltd	6,035,175	0.86%
5	UBS Nominees Pty Ltd	4,710,000	0.67%
6	Mr Victor John Plummer	4,400,000	0.63%
7	Corporate Holdings Pty Ltd	4,180,302	0.59%
8	Pineross Pty Ltd	4,032,031	0.57%
9	loof Investment Management Limited	3,867,361	0.55%
10	Dcm Bluelake Partners Pty Ltd	3,100,000	0.44%
11	BNP Paribas Nominees Pty Ltd	2,807,298	0.40%
12	Mr Robert James Watson & Mrs Lesla Lyle Townend	2,182,000	0.31%
13	Netwealth Investments Limited	2,116,374	0.30%
14	Takita Exploration Pty Limited	1,967,000	0.28%
15	Lekk Pty Ltd	1,960,000	0.28%
16	Eastcote Pty Ltd	1,850,000	0.26%
17	Camelia Pty Ltd	1,818,182	0.26%
18	Pineross Pty Ltd	1,792,657	0.26%
19	Resthaven Incorporated	1,764,022	0.25%
20	Citicorp Nominees Pty Limited	1,718,377	0.24%
Sub-total		77,905,409	11%
Remaining shareholders		626,230,496	89%
Total		704,135,905	100%

Source: Management

4.6. Historical share trading analysis

WAM Leaders' share price movements over this period are shown below.

Figure 5: Daily closing share price and trading volume (14 November 2017 - 13 November 2018)



Source: Capital IQ

We note the following key movements from the chart above:

1. On 17 November 2017, WAM Leaders announced a new issue of 224,745,363 fully paid ordinary shares, in relation to the options exercised, pursuant to the successful option capital raising which saw WAM Leaders' investment portfolio grow by c. \$320.5 million.
2. On 29 January 2018, Wilson Asset Management announced the appointment of global fund manager and past employee Catriona Burns CFA as the Lead Portfolio Manager for WAM Global Limited. WAM Capital, WAM Leaders, WAM Microcap Limited, WAM Research Limited and WAM Active Limited shareholders will receive a priority allocation in the WAM Global initial public offering that occurred in late April 2018.
3. On 13 March 2018, WAM Leaders released its Investment Update and NTA for February 2018.
4. On 13 April 2018, WAM Leaders released its Investment Update and NTA for March 2018.
5. During the month of July 2018, there were numerous announcements by WAM Leaders, regarding, *inter-alia*, WAM Global Limited oversubscription, a strong performance update and increased fully franked dividends.
6. WAM Leaders, announced its annual results and released its Annual Report for 2018, during August 2018.
7. On 12 October 2018, WAM Leaders released its Investment Update and NTA for September 2018, resulting in a significant drop in the share price. The equity market also declined during October 2018.



4.6.1. Volume Weighted Average Price

WAM Leaders' VWAP over the 12-month period preceding the announcement of the Proposed Scheme (announced after the close of trading on the 13 November 2018) is set out in the table below.

Table 21: WAM Leaders VWAP analysis - pre-announcement (to 13 November 2018)

Period	Price (Low)	Price (High)	Price VWAP	Cumulative value	Cumulative volume	% of issued capital	Volume of shares traded as a % of shares during period
	\$	\$	\$	\$m	m		
1 day	1.12	1.13	1.12	0.52	0.46	0.07%	0.1%
1 week	1.11	1.14	1.13	2.60	2.31	0.33%	0.3%
1 month	1.09	1.14	1.12	13.94	12.47	1.77%	1.8%
3 months	1.09	1.25	1.18	49.11	41.57	5.91%	5.9%
6 months	1.09	1.25	1.17	115.83	98.94	14.07%	14.1%
12 months	1.09	1.25	1.16	255.72	221.13	31.77%	31.6%

Source: Capital IQ

We note the following with respect to the VWAP of trades in WAM Leaders' shares prior to the announcement of the Scheme:

- 6% of shares in WAM Leaders were traded in the preceding 3-month period, compared to 7.1% for CYA.
- 32% of shares in WAM Leaders were traded in the preceding 12-month period.
- Over the 12-month period immediately preceding the Proposed Scheme, the cumulative value of WAM Leaders Shares traded was c. \$256.0 million.



5. PROFILE OF ENLARGED ENTITY

5.1. Overview

After completion of the Proposed Scheme, Century will merge with WAM Leaders, to create a single listed investment company with a larger capital and shareholder base, under the same investment manager with no substantive changes to existing management arrangements in place.

The Enlarged Group will have assets of c. over \$885 million and more than 18,000 shareholders and may provide shareholders with access to greater liquidity in the trading of their shares.

5.2. Investment management agreement

The management of the portfolio of Century will not substantially change as:

- The merged entity will be managed by the same investment manager that currently manages Century, being MAM, an entity forming part of Wilson Asset Management;
- The investment mandate of Century and WAM Leaders are substantially the same;
- The management fees payable to MAM by Century and WAM Leaders are the same; and
- The performance fees for the merged entity are more favourable as the WAM Leaders performance fee is payable annually rather than semi-annually under the Century performance fee structure.

5.3. Potential synergies

The combination of the Century and WAM Leaders businesses will generate a number of synergistic benefits, including the following:

- A significant reduction in the management expense ratio as a result of the removal of duplicated expenses between the two companies as well as a larger pool of assets to spread the expenses across; and
- Increased size and scale of operations, which may increase the liquidity of trading on the ASX.

The Enlarged Group is expected to offer a similar service to what is currently provided by WAM Leaders and Century individually. If the Proposed Scheme is implemented, Century is expected to contribute c. 10.3% to the assets of the Enlarged Group which performance is generated from and therefore potential profit.

The management expense ratio (“MER”) is the annual fee that is required to run the fund. It is calculated by dividing the total operating costs over the portfolio investment value. The MER is an important metric utilised by LIC’s and investors in determining the operational efficiency of LIC’s. Market proxies place most MER’s for LIC’s at between 0.2% and 2% of fund value.



The MER of WAM Leaders, Century and the Enlarged Group (on a pro-forma basis) as at 30 June 2018 is noted below.

Table 22: Management expense ratio

MER as at 30 June 2018	WAM Leaders	Century	Pro-forma adj	Enlarged Group
Net Asset Value	836,457	101,039	-	937,496
ASX	(136)	(51)	37	(150)
Registry	(182)	(72)	64	(190)
Custody	(65)	(49)	49	(65)
Directors	(90)	(119)	89	(120)
Other operating expenses	(336)	(232)	218	(350)
Total operating costs	(809)	(523)	457	(875)
Brokerage	(2,880)	(199)	-	(3,079)
Management Fees	(8,365)	(1,010)	-	(9,375)
Performance Fees	(3,318)	(216)	-	(3,534)
Total expenses	(15,372)	(1,948)	457	(16,864)
Pro-forma management expense ratio	1.10%	1.52%	n/a	1.09%

Source: Management accounts of Century and WAM Leaders as at 30 June 2018, BDO Analysis

Note the following in relation to the above table:

- The MER is typically calculated based on the average NAV for an LIC, which indicates the historical performance of an LIC. However, the NAV utilised to calculate the MER above is based on the NAV as at 30 June 2018, as this is indicative of the future performance of the companies and Enlarged Group;
- The historical management fees per the annual financial statements amount to \$7.527 million and \$964k for WAM Leaders and Century, respectively. BDOCF have utilised 1% of the NAV as per the investment management agreement with MAM to obtain the pro-forma management fees of WAM Leaders, Century and the Enlarged Group based on the NAV as at 30 June 2018; and
- The remaining balances noted in the table above are as per the annual financial statements as at 30 June 2018.

The pro-forma adjustments relate to costs currently incurred by Century which may be duplicated by WAM Leaders and are expected to be eliminated or reduced. Duplicated costs which the boards of Century and WAM Leaders expect to be reduced once the Proposed Scheme is implemented include, but are not limited to:

- directors' and company secretarial fees;
- audit and tax fees;
- share registry fees;
- stock exchange listing fees; and
- general expenses.

The cost savings relate principally to the cessation of Century operating as a separately listed entity and, therefore, a reduction in the costs of compliance.

5.4. Directors and key management

The Geoff Wilson sits on the boards of both WAM Leaders and Century. Following the implementation of the Proposed Scheme an Independent Director, Ross Finley from Century will be invited to join the WAM Leaders Board to ensure continuity for Century Shareholders and to oversee the successful implementation of the transaction.

5.5. Shareholding of the Enlarged Group

The capital structure of the Enlarged Group is dependent on the effective share exchange ratio which will be calculated on 31 January 2019 (“**Calculation Date**”). The share exchange ratio will be calculated by reference to the relative pre-tax NTA backing per share of Century and WAM Leaders (“**Exchange Ratio**”). The pre-tax NTA is calculated by excluding all current and deferred tax assets and liabilities and calculated on the basis that an amount pertaining to Century and WAM Leaders’ portion of the transaction costs remains unpaid.

Management have provided for a referral to an independent expert in the event that there is a material discrepancy in the WAM Leaders of Century data for the calculation of the NTA. Further detail regarding this proviso is included in the Scheme Implementation Agreement.

Therefore, the final number of WAM Leaders shares to be issued under the Proposed Scheme is currently unknown. BDOCF has estimated the Enlarged Group shareholding before and after the Proposed Scheme is summarised below based on 31 October 2018 financial information.

Table 23: Estimated Enlarged Group shareholding (based on 31 October 2018 balance sheets of Century and WAM Leaders)

	WAM Leaders	Century	Total
Pre-tax NTA	801,538,384	91,060,972	892,599,356
Tax liability	(6,797,970)	-	(6,797,970)
Investment Portfolio Realisation Costs	(1,426,764)	(159,923)	(1,586,687)
Transaction costs	(105,063)	(105,063)	(210,125)
Adjusted NTA	793,208,587	90,795,986	884,004,574
Number of shares in issue	704,135,905	94,268,790	798,404,695
NTA per share	1.1265	0.9632	
Exchange Ratio			85.5%
Enlarged Group shares	704,135,905	80,600,129	784,736,034

Source: BDOCF analysis

Notes:

The adjusted NTA has been calculated in accordance with the guidance provided by the ASX listing requirements (refer to 3.3). The adjustments have been provided by Management and include:

- 1. A tax liability, relating to WAM Leaders, of c. \$6.8 million.*
- 2. Investment Portfolio Realisation Costs of \$1,586,687 which is comprised of \$1,426,764 relating to WAM Leaders and \$159,923 relating to Century. These costs are based on 0.2% of the respective companies’ portfolio value.*
- 3. Transaction costs associated with the Proposed Scheme amounting to \$210,125 (including reduced input tax credits (“RITC”)). These costs are to be paid equally by Century and WAM Leaders.*

The number of shares in issue are as at 31 October 2018 as per Capital IQ.

We note the following in respect of Enlarged Group shareholdings table above:

- Based on our analysis, 80,600,129 New WAM Leaders shares will be issued to the Century Shareholders. Consequently, Century Shareholders will hold c. 10.3% of the Enlarged Group;
- WAM Leaders and Century have calculated the tax expense that is to be paid prior to the Proposed Scheme being implemented and adjusted the NTA as per the guidance provided in Chapter 19 of the ASX Listing Rules to calculate the adjusted NTA.



5.6. Enlarged Group pro-forma financial performance

The pro-forma financial performance of the Enlarged Group for the financial year ended 30 June 2018 is summarised in Table 24.

Table 24: Summary Enlarged Group financial performance

\$'000	30-Jun-18			
	Century	WAM Leaders	Pro-forma Adj	Enlarged Group
Investment Income from Ordinary Activities	11,315	114,998	-	126,313
Management Fees	(964)	(3,318)		(4,282)
Performance Fees	(216)	(7,527)	-	(7,743)
Brokerage Fees	(199)	(2,880)	-	(3,079)
ASX	(51)	(136)	37	(150)
Registry	(72)	(182)	64	(190)
Custody	(49)	(65)	49	(65)
Directors	(119)	(90)	89	(120)
Audit/Tax	(54)	(49)	53	(50)
Other - excluding portfolio related exps	(178)	(287)	165	(300)
Total Expenses	(1,902)	(14,535)	457	(15,980)
Profit before Income Tax	9,413	100,462	457	110,333

Source: Annual Financial Statements, Management accounts and BDOCF Analysis

Management prepared a schedule of the potential cost savings of the combined entities as noted above. The total pro-forma estimated savings, as per the 30 June 2018 financial statements amount to c. \$457,000 which amounts to a saving of c. 2.9% in total operating costs of the Enlarged Group.

5.7. Enlarged Group pro-forma financial position

The pro-forma financial position of the Enlarged Group as at 31 October 2018 is summarised below.

Table 25: Summary Enlarged Group financial position

\$'000	31-Oct-18			
	WAM Leaders	Century	Pro-forma Adj	Enlarged Entity
Cash and Cash Equivalents	131,731	12,593	-	144,324
Trade and Other Receivables	15,158	1,026	-	16,184
Financial Assets at Fair Value through Profit or Loss	713,382	46,416	-	759,798
Other Assets	-	17	-	17
Total Current Assets	860,271	60,053	-	920,324
Financial Assets at Fair Value through other comprehensive income	-	33,545	-	33,545
Deferred Tax Assets	890	5,956	(5,956)	890
Total Non-Current Assets	890	39,501	(5,956)	34,436
Total Assets	861,162	99,554	(5,956)	954,760
Trade and Other Payables	58,733	2,537	-	61,270
Current Tax Liabilities	5,849	1,010	(1,010)	5,849
Total Current Liabilities	64,582	3,547	(1,010)	67,119
Deferred Tax Liabilities	2,869	-	478	3,348
Total Non-Current Liabilities	2,869	-	478	3,348
Total Liabilities	67,451	3,547	(532)	70,466
Net Assets	793,711	96,007	(5,424)	884,294
Total number of shares	704,135,905	94,268,790	-	784,736,034
Tangible Assets (Excl. Current and Deferred Tax Assets) (\$)	860,271,358	93,598,091	-	953,869,449
Total Liabilities (Excl. Current and Deferred Tax Liabilities) (\$)	58,732,974	2,537,119	-	61,270,093
<i>Net Tangible Assets (Pre-Tax) (\$)</i>	<i>801,538,384</i>	<i>91,060,972</i>	<i>-</i>	<i>892,599,356</i>
<i>Net Tangible Assets per Share (Pre-Tax) (\$)</i>	<i>1.14</i>	<i>0.97</i>	<i>-</i>	<i>1.14</i>

Source: Management accounts and BDOCF analysis

As at 31 October 2018, Century had deferred tax assets on carry forward realised losses of 5.8 cents per Share in its accounts. In addition to the deferred tax assets of 5.8 cents per Share recorded in the accounts there is a further \$1.9 million or 2.1 cents per Share of tax benefit on realised capital losses that is not carried on Century's statement of financial position and is available to be offset against future taxation liabilities. Utilisation of these capital losses depends on the ability of Century to satisfy certain tests, prescribed by tax legislation, at the time the losses are recouped.

In considering the potential to recoup the tax losses, BDOCF noted that pursuant to an acquisition of 100% of the equity of Century the ownership of the company would implicitly change and that the "continuity of ownership" test would fail.

Furthermore, we considered the potential for Century to meet the "same business" test and based on our understanding the scope of the "same business" test is intended to be limited and has been applied accordingly by the ATO. Factors that would be considered in assessing the satisfaction of the same business test include the name of the company, changes in the directors and/or management of the company and changes in the company's assets. Therefore, if a third party acquired Century and either de-listed the company, changed its investment mandate and/or increased the scale of the company's activities, there is also a significant risk that the same business test will not be satisfied to enable a recoupment of the prior year income tax losses carried forward. The value attaching to any potential recoupment of the tax losses would provide an additional return to a willing but not anxious purchaser contemplating an acquisition of Century (over and above the potential investment returns that could be achieved in any event).

We have therefore applied a taxation adjustment of \$5.956 million, which relates to the deferred tax assets of Century to address the risk that the taxation losses will not be recouped post implementation of the Proposed Scheme.



As at 30 June 2018, the balance of Century's capital losses was c. \$24.4 million of which \$18.4 million of these capital losses carried forward relate to periods on or before 30 June 2009. The remaining \$ 6 million were incurred between July 2011 and June 2013. Due to the aging of the tax losses the risk associated with the "same business" test is likely to be higher.

If Century fails to satisfy the same business test, the deferred tax assets of 5.8 cents per Share that is currently recognised would be written off to income tax expenses.

We note that if Century's portfolio was to be liquidated, an immaterial amount of tax losses could be utilised.

BDOCF has calculated the deferred tax effect of the issue of the New WAM Leaders shares as at 31 October 2018, which worked out to a bargain scrip value of \$1,594,829, with the resultant tax being \$478,449. We have included this as a pro-forma adjustment.

6. FAIRNESS ASSESSMENT AND VALUATION METHODOLOGY

6.1. Fairness assessment overview

The Proposed Scheme is fair if the FMV of the consideration offered by WAM Leaders per Century Share is equal to or greater than the FMV of a Century Share before the Proposed Scheme (on a controlling interest basis).

Accordingly, we have undertaken an assessment of the value of a Century Share before the Proposed Scheme on a control basis, and an assessment of the Scheme Consideration.

The valuation methods commonly used for the above analyses are considered below.

6.2. Valuation methods

Details of common methodologies for valuing businesses and assets are included at Appendix 2. The principal methodologies which can be used are as follows:

- Discount cash flow (“DCF”);
- Capitalisation of future maintainable earnings (“COE”);
- Net asset value (“NAV”); and
- Quoted market price basis (“QMP”).

Set out below is a discussion of the valuation methods we consider appropriate for the purposes of undertaking our fairness assessment.

6.3. Selected valuation method for Century

In accordance with RG 111.15, we have considered the FMV of Century on the basis of “a knowledgeable and willing, but not anxious, seller that is able to consider alternative options to the bid”. This approach does not take into account the particular circumstances of any specific transaction, and therefore we have not considered whether there is any premium in value attached to the strategic benefits or gains from synergies that may be inherent in an acquisition by a specific party, e.g. an industry competitor or supplier.

We have assessed the equity value of Century using the NAV method as our primary approach based on information up to 13 November 2018.

NAV is generally considered the most appropriate method for the valuation of LICs. All LICs release information related to NTA to the market on a monthly basis. The portfolio investments for each LIC are marked-to-market each month based upon the trading prices on the ASX for each security held. As such, Century’s reported NTA per share effectively reflects the FMV NTA of the Company. Further adjustments made to the reported NTA relate to deferred tax assets, investment portfolio realisation costs, and estimated transaction costs.

We have applied the QMP method as a secondary method for the following reasons:

- The QMP approach is a relevant methodology to consider as Century’s shares are traded on the ASX, which is a regulated and observable market. In assessing Century’s share price performance, we have had particular regard to the following:
 - The level of trading activity of Century securities, specifically:
 - Daily price activity;
 - Daily volume;
 - Value of securities traded; and
 - VWAP.
 - Recent key developments, market announcements, and the timing and level of dissemination of information to the market.
- We have not applied the DCF method to value Century due to the lack of suitably reliable long term forecasts.
- The NAV method and QMP method have both been considered in forming our overall conclusion.



6.4. Selected valuation method for the Scheme Consideration

BDOCF has adopted the NAV methodology by assessing the NTA of the Enlarged Entity post implementation of the Proposed Scheme on a minority basis. Further adjustments made to the reported NTA relate to deferred tax assets, investment portfolio realisation costs, estimated transaction costs and application of the Exchange Ratio to determine the Scheme Consideration. Prior to reaching our conclusion we also adopted the QMP method, as a secondary valuation method, after adjusting for the Exchange Ratio to determine the Scheme Consideration.

We have considered both approaches in forming our overall conclusion.

6.5. Other valuation considerations

6.5.1. Future events

The businesses of Century and WAM Leaders that we have considered is that which existed as at the date the Proposed Scheme was announced. Growth potential, which may result from new activities, business initiatives, acquisitions and the like (which are not capable of estimation), is not within the scope of our assessment.

6.5.2. Synergies

The level of synergies that can be derived from a takeover or merger is dependent on the nature of the respective businesses and their geographical and operational overlap.

In relation to the Proposed Scheme, potential synergies may be available across a range of areas, including a reduction in the management expense ratio as a result of the removal of duplicated expenses between the two companies as well as a larger pool of assets to spread the expenses across;

We have not considered special value in forming our opinion. Accordingly, we have not attributed any value to the potential synergies listed above in our valuation approach beyond those generally observed in the market. These synergies have been reflected in the value of Century prior to the Proposed Scheme via the inclusion of a premium for control.

6.5.3. Premium for control

Investment fundamentals dictate that the value of 100% of an entity is normally greater than the sum of values attributable to the individual shares of that company based on transactions in minority share holdings.

The difference between the value of 100% of a company and the total value of minority share holdings is referred to as a “premium for control” taking into account control and synergistic benefits for the acquirer.

Control of a company by a shareholder gives that shareholder rights to which minority shareholders are not entitled, including control of the company’s policies and strategies, and use of cash flows of the company.

A premium for control is applicable when an acquisition would give rise to benefits such as:

- the ability to realise synergistic benefits;
- access to cash flows;
- access to tax benefits; and
- control of the board of directors of the company.

Therefore, a transaction premium would typically include a premium for control as well as potential buyer specific synergies.

The level of premium for control paid in a takeover bid will vary across industries and is dependent upon the specifics of the company being acquired. In arriving at an appropriate premium for control to apply, we note that buyers would generally assess the following considerations:

- Level of liquidity in the trade of the target’s securities;
- Synergistic value;
- Nature and magnitude of non-operating assets;
- Nature and magnitude of discretionary expenses;
- Perceived quality of existing management;

- Nature and magnitude of business opportunities not currently being exploited; and
- Ability to integrate the target into the acquirer's business.

An acquirer of the Company could potentially reduce corporate overheads and realise synergies through the integration into their business while, at the same time incurring one-off integration expenses.

In our assessment of an appropriate control premium for Century, we reviewed Australian LIC acquisitions over the period 2012 to 2018. We note the industry historically lacks an active M&A market. We reviewed the offer premium to the share price one day before the offer announcements along with the offer premium to the pre-tax NTA of the target prior to the announcement. The details of the three transactions are set out below. We note 1-day prior control premiums are in the range of 0.0% to 15.0%, with an average premium of c. 5.5%, while premiums to NTA average c. 1.0%.

Table 26: Premium to target NTA analysis

Transaction Announce Date	Target	Buyer	Offer Price	Target Share Price	Target NTA	1-Day Premium to Target Share Price	Premium to Target NTA
30/08/2018	Wealth Defender Equities Ltd.	WAM Capital Ltd.	1.00	0.87	0.97	15.1%	3.0%
21/02/2017	Century Australia Investments Ltd.	Century Australia Investments Ltd.	0.94	0.93	0.94	1.2%	0.0%
14/09/2012	WAM Capital Ltd.	Premium Investors Ltd.	1.64	1.64	1.64	0.2%	0.0%
						Maximum	15.1%
						Average	5.5%
						Median	1.2%
						Minimum	0.2%

Source: ASX announcements, Capital IQ and BDOCF analysis

Further, we have reviewed 25 LIC's in the Australian market. We have determined the premium for control by comparing the NTA of the LIC to the traded price of the share. NTA's are generally considered controlling values, whilst market traded values are minority values (we note the data above supports our view that the NTA value of a LIC is a controlling value). We note that other factors may contribute to LICs trading below the NTA value such as the cost of funding management expenses.

In addition to the above we do not believe that there is a significant premium to be paid for control due to the simplicity of recreating portfolios held by LICs as well as the low costs associated with replicating these portfolios.

Table 27: Average Australian LIC premiums/(discounts) to NTA

	FY2017 Premium/(Discount)	FY2018 Premium/(Discount)
Max	24.5%	20.2%
Average	-2.8%	-5.1%
Median	-3.9%	-5.9%
Min	-14.2%	-16.7%

Source: Capital IQ and BDOCF analysis

Our results indicate that there is a significant spread in relation to discounts and premiums to NTA in the market, with discounts of up to c. 16.7% and premiums of up to c. 24.5% being noted over the past two years. It can be noted however, that the average results of our analysis illustrates an average discount over the last two years of between 2.8% and 5.1% and a median of between 3.9% and 5.9%.

Based on the above, we consider a control premium of between 2% and 5% to be appropriate for Century. Refer to Appendix 3 for a list of LIC's utilised in our analysis.

6.5.4. Valuation in accordance with APES 255

This engagement has been conducted in accordance with professional standard APES 225 Valuation Services, as issued by the Australian Professional and Ethical Standards Board.

7. VALUATION OF CENTURY

See below for the valuation assessment of Century based upon the adjusted NAV Method and a secondary method based on the QMP Method.

7.1. FMV of Century using the NAV Method

As mentioned above, we have relied upon the NAV Method as our primary method to assess the FMV of Century on a control basis. We applied adjustments to the NAV, as discussed in more detail below, as the resulting value represents 100% of the equity value of Century on a net realisable value (“NRV”) basis.

Table 28: NAV Approach

\$'000	Low	High
Net Tangible Assets (Post-Tax)	96,007	96,007
Deferred Tax Assets	(5,956)	(1,787)
Adjusted Net Assets	90,051	94,220
Investment Portfolio Realisation Costs	(160)	(160)
Estimated Transaction Costs	(105)	(105)
Equity Value on a 100% Basis	89,786	93,955
Century Shares ('000)	94,269	94,269
Assessed Value per Century Share (actuals)	0.95	1.00

Source: Century Management, Capital IQ, and BDOCF analysis

BDOCF took into consideration the following in applying the NAV methodology:

1. Post-tax NTA

BDOCF utilised the post-tax NTA of Century as at 31 October 2018 as a starting point and applied the adjustments as noted below. We reviewed movements between the post-tax NTA of Century as at 30 June 2018, being the financial year end, and the post-tax NTA of Century as at 31 October 2018 and did not note any significant and/or unusual movements.

2. Taxation losses

In considering the potential to recoup the tax losses BDOCF noted that pursuant to an acquisition of 100% of the equity of Century the ownership of the company would implicitly change and that the “continuity of ownership” test would fail.

Furthermore, we considered the potential for Century to meet the “same business” test and based on our understanding the scope of the “same business” test is intended to be limited and has been applied accordingly by the ATO. Factors that would be considered in assessing the satisfaction of the same business test include the name of the company, changes in the directors and/or management of the company and changes in the company’s assets. Therefore, if a third party acquired Century and either de-listed the company, changed its investment mandate and/or increased the scale of the company’s activities, there is also a significant risk that the same business test will not be satisfied to enable a recoupment of the prior year income tax losses carried forward. The value attaching to any potential recoupment of the tax losses would provide an additional return to a willing but not anxious purchaser contemplating an acquisition of Century (over and above the potential investment returns that could be achieved in any event).

As at 30 June 2018, the balance of Century’s capital losses is c. \$24.4 million of which \$18.4 million of these capital losses carried forward relate to periods on or before 30 June 2009. The remaining \$ 6 million were incurred between July 2011 and June 2013. Due to the aging of the tax losses the risk associated with the “same business” test is likely to be higher.

We have therefore applied a taxation adjustment of \$5.956 million, which relates to the deferred tax assets of Century, to the lower end of our valuation range to address the risk that the taxation losses will not be recouped post implementation of the Proposed Scheme. For the high end of the range, it was assumed that 70% of the deferred tax assets of Century, or \$4.169 million, would be recouped based upon discussions with Management.

We note that if Century's portfolio was to be liquidated, an immaterial amount of tax losses could be utilised.

3. Investment Portfolio Realisation Costs

In assessing the NRV of the Century we have taken into consideration cost incurred on the (notional) realisation of the investment portfolio which relate to the exit fees payable in order to liquidate the Century's current investments. Management have estimated the Investment portfolio realisation costs at 0.2% of market value of the portfolio as at 31 October 2018, amounting to c. \$160,000.

4. Estimated Transaction Costs

In order to implement the Proposed Scheme, Century has incurred certain corporate advisory, legal and other related costs which BDOCF has taken into consideration in calculating the NRV. Management have advised that the total estimated transaction costs for the Proposed Scheme amount to \$210,125 (inclusive of RITC) which will be equally incurred by Century and WAM Leaders, resulting in Century's attributable expense being c. \$105,000.

The above adjustments resulted in an implied NAV valuation range of between \$89.786 million and \$93.955 million. BDOCF calculated the value per share of \$0.95 and \$1.00, based on the current shares on issue of 94.269 million as at 31 October 2018.

We consider a value of \$0.95 and \$1.00 to be appropriate for Century under the NAV Methodology.

7.2. FMV of Century - secondary method using the QMP method

For the quoted market price methodology to be reliable there needs to be a 'deep' market in the shares.

RG 111.69 indicates that a 'deep' market should reflect a liquid and active market. We consider the following characteristics to be representative of a deep market:

- Regular trading in a company's securities;
- Approximately 1% of a company's securities are traded on a weekly basis;
- There are no significant and unexplained movements in share price.

A company's shares should meet all of the above criteria to be considered deep. However, failure of a company's securities to exhibit all of the above characteristics does not necessarily mean that the value of its shares cannot be considered relevant.

We consider there to be a sufficiently deep market for Century's Shares based on the following:

- There is regular trading of its shares;
- The VWAP has remained relatively stable over various periods prior to the announcement; and
- There are no significant unexplained price movements in the share price.

Our analysis of the quoted market price of a Century Share is up to 13 November 2018, being the date of the announcement of the Proposed Scheme. Our QMP analysis does not reflect any information about Century beyond this date, as trades made after this date still appear to primarily reflect the terms of the Proposed Scheme, and are therefore not representative of the FMV of Century prior to the Proposed Scheme.

We have calculated Century's VWAP over various periods preceding the Proposed Scheme date, and included a control premium range of 2% to 5%. (Refer to section 6.5.3)

Table 29: QMP approach

Period	Price VWAP \$	Plus 2% Control Premium \$	Plus 5% Control Premium \$
1 day	0.95	0.96	0.99
1 week	0.94	0.96	0.98
1 month	0.93	0.95	0.97
3 months	0.97	0.99	1.02
6 months	0.96	0.98	1.01
12 months	0.96	0.98	1.00

Source: Capital IQ and BDOCF analysis

In relation to the above we note the following:

- The 1-day share price ranged between \$0.94 to \$0.95 with a VWAP of \$0.95;
- On 14 November 2018, Century released an investment update, where NTA before tax per share was reported as \$0.96;
- The 3-month VWAP broadly aligns with the period from Century's FY18 earnings announcement to the announcement of the Proposed Scheme, and prices varied between \$0.88 and \$1.02 with a VWAP of \$0.97 over this period.

We consider the 1-month and 3-month VWAP to be the most appropriate, but note that Century's VWAP remained relatively consistent over the preceding 12-month period.

Table 30: Summary of Century value based on QMP method

QMP Method	Low	High
Minority Basis	0.93	0.97
Control Basis	0.95	1.02

Source: BDOCF analysis

Note: A control premium of 2% has been applied to the low value, while a control premium of 5% was applied to the high value. Please refer to Section 6.5.3 for further details on the control premium.

Overall, we consider a value of \$0.93 to \$0.97 on a minority basis, and **\$0.95** and **\$1.02** on a control basis to be an appropriate value for Century. In our view, this range captures Century's VWAP over the relevant periods.

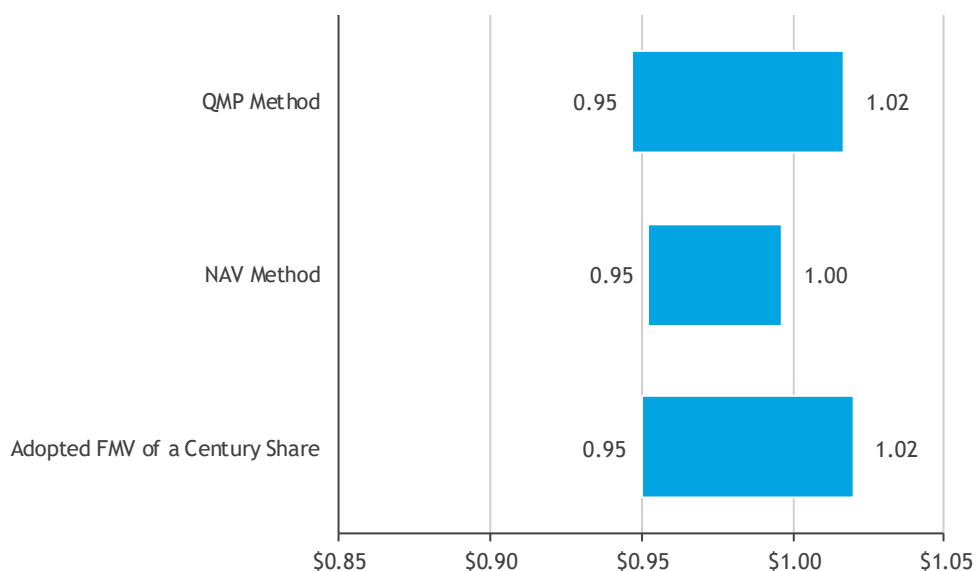
7.2.1. Conclusion as to the FMV of a Century share

Table 31: Century FMV Summary

FMV Range	Low	High
QMP Method	0.95	1.02
NAV Method	0.95	1.00
Adopted FMV of a Century Share	0.95	1.02

Source: BDOCF analysis

The adopted FMV of a Century Share based on both the NAV valuation methodology and the QMP methodology.



8. VALUATION OF THE SCHEME CONSIDERATION

The valuation assessment of the Scheme Consideration based upon the adjusted NAV Method and a secondary method based on the QMP Method is set out below. We have valued the Scheme Consideration using both the NAV valuation methodology and the QMP valuation methodology as set out below.

8.1. NAV of the Enlarged Group Post Merger

We have utilised the NAV Method as our primary method to assess the FMV of Enlarged Group on a minority basis. We applied adjustments to the NAV as discussed in more detail below, as the resulting value represents the Scheme Consideration on a NRV basis.

Table 32: NAV Method of Scheme Consideration (minority basis) as at 31 October 2018

\$'000	Low	High
WAM Leaders Post-Tax NTA	793,711	793,711
Century Post-Tax NTA	96,007	96,007
Enlarged Group Post-Tax NTA	889,718	889,718
Century Deferred Tax Adjustments	(5,956)	(1,787)
Tax Adjustments from share issue	(478)	(478)
Adjusted Net Assets	883,283	887,453
Investment Portfolio Realisation Costs	(1,587)	(1,587)
Estimated Transaction Costs	(210)	(210)
Equity Value of Enlarged Group	881,487	885,656
Enlarged Group shares ('000)	784,736	784,736
Equity Value of Enlarged Group per share (\$)	1.12	1.13
Exchange Ratio	85.5%	85.5%
Scheme Consideration per share, on a control basis (\$)	0.96	0.96
Minority discount (\$)	(0.05)	(0.02)
Scheme Consideration per share, on a minority basis (\$)	0.91	0.95

Source: BDOCF analysis and management accounts

BDOCF took into consideration the following in applying the NAV methodology:

1. Combined Post-tax NTA

BDOCF utilised the post-tax NTA of Century and WAM Leaders as at 31 October 2018, to derive the post-tax NTA of the Enlarged Group as a starting point and applied adjustments as noted below.

We reviewed movements between the post-tax NTA of Century and WAM Leaders as at 30 June 2018, being the financial year end, and the post-tax NTA of Century and WAM Leaders as at 31 October 2018 and did not note any significant and/or unusual movements. The combined post-tax NTA, based on the 31 October 2018 management accounts amounts to \$889.718 million (Refer to section 3.3 and 4.3 for the post-tax NTA of Century and WAM Leaders, respectively).

2. Century Tax Adjustments

In considering the potential to recoup the tax losses BDOCF noted that pursuant to an acquisition of 100% of the equity of Century the ownership of the company would implicitly change and that the "continuity of ownership" test would fail.

Furthermore, we considered the potential for Century to meet the "same business" test and based on our understanding the scope of the "same business" test is intended to be limited and has been applied accordingly by the ATO. Factors that would be considered in assessing the satisfaction of the same business test include the name of the company, changes in the directors and/or management of the company and changes in the company's assets. Therefore, if a third party acquired Century and either de-listed the company, changed its investment mandate and/or increased the scale of the company's activities, there is also a significant risk that the same business test will not be satisfied to enable a recoupment of the prior year income tax losses carried forward. The value attaching to any potential

recoupment of the tax losses would provide an additional return to a willing but not anxious purchaser contemplating an acquisition of Century (over and above the potential investment returns that could be achieved in any event).

As at 30 June 2018, the balance of Century's capital losses is c. \$24.4 million of which \$18.4 million of these capital losses carried forward relate to periods on or before 30 June 2009. The remaining \$ 6 million were incurred between July 2011 and June 2013. Due to the aging of the tax losses the risk associated with the "same business" test is likely to be higher.

We have therefore applied a taxation adjustment of \$5.956 million, which relates to the deferred tax assets of Century, to the lower end of our valuation range to address the risk that the taxation losses will not be recouped post implementation of the Proposed Scheme. For the high end of the range, it was assumed that 70% of the deferred tax assets of Century, or \$4.169 million, would be recouped based upon discussions with Management, should the losses pass the relevant tests under the tax legislation and be available in the Enlarged Group (Refer to section 5.7).

We note that if Century's portfolio was to be liquidated, an immaterial amount of tax losses could be utilised.

3. Tax adjustments from share issue

The share price of a WAM Leaders Share as at 31 October 2018 was \$1.11. The Century pre-tax NTA amounts to \$91.060 million, whereas the 80,600,129 New WAM Leaders shares would effectively be priced at \$1.11 in the market, resulting in a bargain scrip value of \$1,594,829. The bargain scrip value is the difference between the Century pre-tax NTA and the market price of the shares on 31 October 2018. There would be a tax implication of \$478,449 based on the corporate tax rate of 30%, which we have adjusted for above as a potential tax liability.

4. Investment Portfolio Realisation Costs

In assessing the NRV of the Enlarged Group we have taken into consideration cost incurred on the (notional) realisation of the investment portfolio which relate to the exit fees payable in order to liquidate the Enlarged Group's current investments. Management have estimated the Investment portfolio realisation costs at 0.2% of market value of the portfolio as at 31 October 2018, which amounts to c. \$1.587 million of the Enlarged Group's portfolio value of c. \$793.3 million, of which c. \$713.4 million relates to WAM Leaders and c. \$79.9 million relates to Century.

5. Estimated Transaction Costs

In order to implement the Proposed Scheme, the Enlarged Group has incurred certain corporate advisory, legal and other related costs which BDOCF has taken into consideration in calculating the adjusted NAV. Management have advised that the total estimated transaction costs for the Proposed Scheme amount to \$210,125 (inclusive of RITC), which will be equally incurred by Century and WAM Leaders, resulting in Century's attributable expense being c. \$105,000.

6. Enlarged Group shares

The Enlarged Group shares and the exchange ratio has been determined based on our calculations per section 5.5, and amounts to 784,736,034. BDOCF has calculated the Exchange Ratio based on Century and WAM Leaders' NTA as at 31 October 2018. This Exchange Ratio is an estimate as the Exchange Ratio is based on the Calculation Date. The resultant number of New WAM Leaders Shares in the Enlarged Group that Century Shareholders will receive based on the exchange ratio above will be 80,600,129 New WAM Leaders Shares.

Table 33: Estimated Enlarged Group shareholding (based on 31 October 2018 balance sheets of Century and WAM Leaders)

\$	WAM Leaders	Century	Total
Pre-tax NTA	801,538,384	91,060,972	892,599,356
Tax liability	(6,797,970)	-	(6,797,970)
Investment Portfolio Realisation Costs	(1,426,764)	(159,923)	(1,586,687)
Transaction costs	(105,063)	(105,063)	(210,125)
Adjusted NTA	793,208,587	90,795,986	884,004,574
Number of shares in issue	704,135,905	94,268,790	798,404,695
NTA per share	1.1265	0.9632	
Exchange Ratio			85.5%
Enlarged Group shares	704,135,905	80,600,129	784,736,034

Source: BDOCF analysis and management accounts

The adjustments noted under points 1 - 5 resulted in an implied NAV valuation range of between \$881.5 million and \$885.7 million on a control basis. BDOCF calculated the equity value per Enlarged Group share, based on the estimated number of shares calculated under section 5.5, to determine a value per share range of between \$1.12 and \$1.13.

7. Exchange Ratio

In order to compare the value of a Century Share pre-implementation, one needs to take into consideration that the valuation range noted of between \$1.12 and \$1.13 relates to the value of a WAM Leaders Share and Century Shareholders will only receive a fraction of this share based on the Exchange Ratio to be calculated as at the Calculation Date. BDOCF has therefore applied the estimated Exchange Ratio of c. 85.5% based on our calculations noted under section 5.5 to determine the value Century Shareholders would receive on a control basis.

8. Minority Discount

The NAV Valuation methodology results in the Scheme Consideration being on a control basis. In order to determine the Scheme Consideration on a minority basis we have applied a minority discount based on the control premium for LICs of between 2% and 5%. Refer to section 6.5.3 for details regarding the control premium. This resulted in a value per share range of \$0.91 and \$0.95 for the Scheme Consideration, on a minority basis.

We consider a value of \$0.91 and \$0.95 to be appropriate for the Scheme Consideration under the NAV Methodology.

8.2. FMV of Scheme Consideration - secondary method using the QMP Method

For the quoted market price methodology to be reliable there needs to be a 'deep' market in the shares. RG 111.69 indicates that a 'deep' market should reflect a liquid and active market. We consider the following characteristics to be representative of a deep market:

- Regular trading in a company's securities;
- Approximately 1% of a company's securities are traded on a weekly basis; and
- There are no significant and unexplained movements in share price.

A company's shares should meet all of the above criteria to be considered deep. However, failure of a company's securities to exhibit all of the above characteristics does not necessarily mean that the value of its shares cannot be considered relevant.

We consider there to be a sufficiently deep market for Century and WAM Leaders' shares, being the Enlarged Group, based on the following:

- There is regular trading of Century and WAM Leaders' shares;
- The VWAP for both Century and WAM Leaders has remained relatively stable over various periods prior to the announcement; and
- There are no significant unexplained price movements in the share price of Century and WAM Leaders.

Our analysis of the quoted market price of a Century and WAM Leaders share is up to 13 November 2018, being the date of the announcement of the Proposed Scheme. Our QMP analysis does not reflect any information about Century and WAM Leaders beyond this date, as trades made after this date still appear to primarily reflect the terms of the Proposed Scheme, and are therefore not representative of the FMV of Century prior to the Proposed Scheme.

Table 34 : Equity value of Century on a minority basis, based on a QMP Methodology

Period	Price VWAP	
	\$	
1 day	0.95	
1 week	0.94	
1 month	0.93	
3 months	0.97	
6 months	0.96	
12 months	0.96	
Outstanding Shares	94,268,790	
FMV Range	Low	High
Minority Basis	0.93	0.97
100% Equity Value of Century (minority basis)	87,520,476	91,310,642

Source: BDOCF analysis and CapitalIQ

We have calculated Century's VWAP over various periods preceding the Proposed Scheme date (Refer to section 6.5.3), to determine a FMV per Century Share range of between \$0.93 and \$0.97 (Refer to Section 7.2). We applied the outstanding Century Shares as at 31 October 2018 to the FMV per Century Share range to determine an equity value of Century on a minority basis of between \$87.520 million and \$91.311 million.

Table 35: Equity value of WAM Leaders on a minority basis, based on a QMP Methodology

Period	Price VWAP	
	\$	
1 day	1.12	
1 week	1.13	
1 month	1.12	
3 months	1.18	
6 months	1.17	
12 months	1.16	
Outstanding Shares	704,135,905	
	Low	High
FMV per share	1.12	1.18
100% Equity Value of WAM Leaders (control basis)	787,343,446	831,874,792

Source: BDOCF analysis and CapitalIQ

We have calculated WAM Leaders' VWAP over various periods preceding the Proposed Scheme date, to determine a FMV per share range of \$1.12 and \$1.18 per WAM Leaders share on a minority basis. We applied the outstanding WAM Leaders shares as at 31 December 2018 to the FMV per WAM Leaders share to determine an equity value of WAM Leaders on a minority basis of between \$787.3 million and \$831.9 million. We consider the 1-month and 3-month VWAP to be the most appropriate, but note that Century and WAM Leader's VWAP remained relatively consistent over the preceding 12-month period.

We combined the valuation ranges of Century on a minority basis and WAM Leaders on a control basis to determine a range for the equity value of the Enlarged Entity of between \$874.9 million and \$923.2 million.

Table 36: QMP Methodology for the Scheme Consideration

QMP Methodology	Low	High
100% Equity Value of Century (minority basis) (\$)	87,520,476	91,310,642
100% Equity Value of WAM Leaders (controlling basis) (\$)	787,343,446	831,874,792
100% Equity Value of Enlarged Entity (minority basis) (\$)	874,863,923	923,185,435
Post-Transaction shares in Enlarged Entity	784,736,034	784,736,034
FMV per Enlarged Entity Share (\$)	1.11	1.18
Share Exchange Ratio	85.5%	85.5%
FMV of Scheme Consideration (\$) using sum of the parts QMP approach	0.95	1.01

Source: BDOCF analysis and CapitalIQ

BDOCF thereafter calculated the FMV per Enlarged Group on a minority basis by applying the estimated Enlarged Group shares after implementation of the Proposed Scheme as calculated in section 5.5, of 784,736,034.

In order to compare the value of a Century Share pre-implementation, one needs to take into consideration that the valuation range noted of between \$1.11 and \$1.18 relates to the value of a WAM Leaders Share and Century Shareholders will only receive a fraction of this share based on the Exchange Ratio to be calculated as at the Calculation Date. BDOCF has therefore applied the estimated Exchange Ratio of c. 85.5% based on our calculations noted under section 5.5 to determine the value Century Shareholders would receive on a minority basis.

Overall, we consider a value of \$0.95 and \$1.01 to be appropriate for the Scheme Consideration under the QMP Methodology. In our view, this range captures Century and WAM Leaders' VWAP over the relevant periods. We also consider the valuation range of c. 5% to be appropriate given the relatively consistent trading in Century in the trailing three-month period.

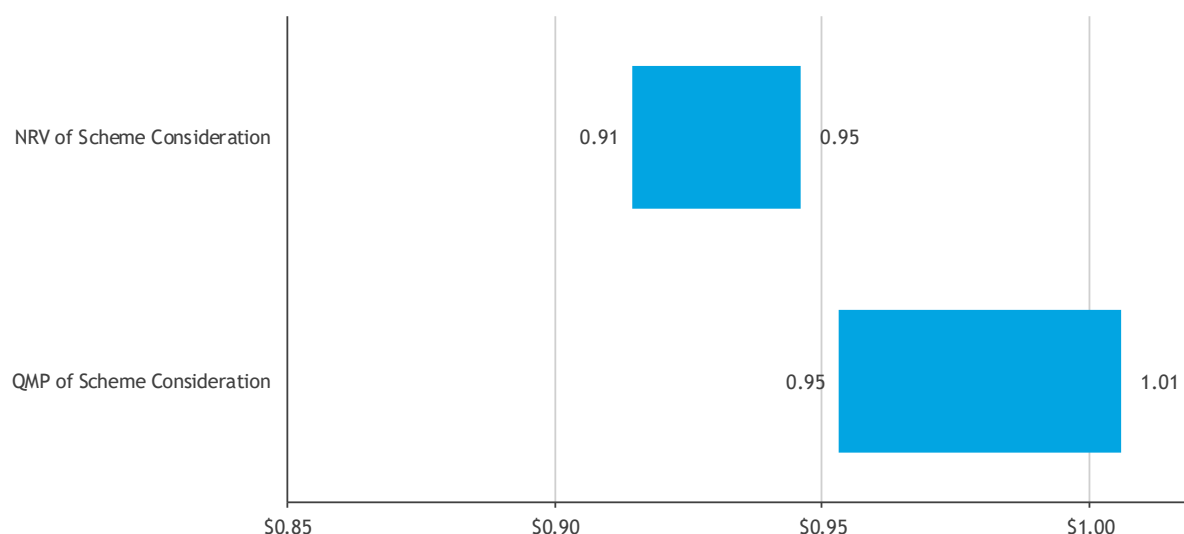
8.2.1. FMV of Scheme Consideration conclusion

Table 37: Summary of Scheme Consideration

Valuation summary (\$)	Low	High
QMP of Scheme Consideration	0.95	1.01
NRV of Scheme Consideration	0.91	0.95

Source: BDOCF analysis

Figure 6: Graphical summary of Scheme Consideration



Source: BDOCF analysis

Based on the above we do not consider the FMV in the range of \$0.91 to \$1.01 determined using both our primary and secondary methodology to be unreasonable.



9. ASSESSMENT OF FAIRNESS

9.1. Fairness Assessment

In undertaking our fairness opinion, we have had regard to ASIC RG 111.

RG 111.11 indicates that an offer is 'fair' if the value of the offer price or consideration is equal to or greater than the value of the securities the subject of the offer. The comparison must be made assuming:

1. A knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length.
2. 100% ownership of the target company, irrespective of the percentage holding of the bidder or its associates in the target company.
3. In relation to the interpretation of RG111.11, ASIC has advised that the appropriate assessment is to compare:
 - a. The fair market value of a share pre-transaction on a control basis (being the value of the securities the subject of the offer, per RG111.11); and
 - b. The fair market value of the offer price.
4. The basis for the above form of comparison is to ensure our analysis is in line with RG111.5 to RG111.7 which include statements as follows:
 - a. The main purpose of the report is to adequately deal with the concerns that could reasonably be anticipated of those persons affected by the Offer; and
 - b. The form of analysis an expert uses to evaluate a transaction should address the issues faced by Shareholders.
5. We have formed our opinion in relation to fairness by comparing the:
 - a. Fair market value of a Century Share prior to announcement of the Proposed Scheme (including a premium for control); and
 - b. Scheme Consideration as offered by WAM Leaders and outlined in the Scheme Implementation Deed.

The Scheme will be fair if the Scheme Consideration is equal to or greater than the fair market value of a Century Share prior to announcement of the Proposed Scheme, on a controlling interest basis.

Accordingly, in order to make this comparison we have undertaken an assessment of the fair market value of a Century Share prior to announcement of the Proposed Scheme.

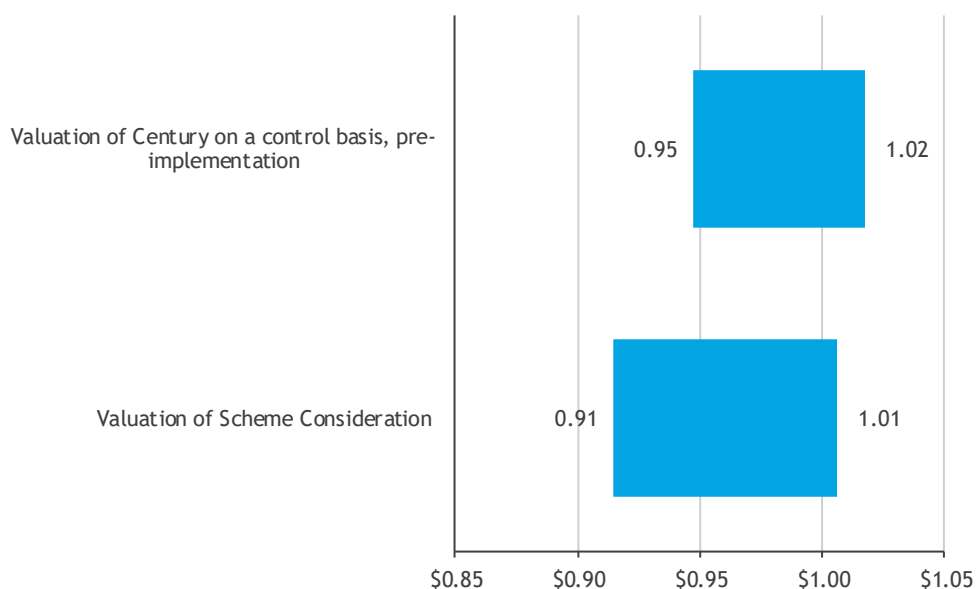
In forming our opinion on whether the Proposed Scheme is fair to Century Shareholders, BDOCF has assessed the FMV of a Century Share, on a minority basis, pre-implementation of the Proposed Scheme and the Scheme Consideration, by utilising the NAV as the primary methodology and QMP as the secondary methodology (refer to sections 7 and 8).

The result of our fairness analysis under the guidance provided by ASIC is summarised below.

Table 38: Summary of fairness

Valuation summary (\$)	Low	High
Valuation of Scheme Consideration	0.91	1.01
Valuation of Century on a control basis, pre-implementation	0.95	1.02

Figure 7: Graphical summary of fairness assessment



Based on our results, the valuation ranges noted above are:

- Century Share on a controlling basis, pre-implementation of between \$0.95 - \$1.02, based on the NAV and QMP valuation methodologies (refer to section 7).
- Scheme Consideration of between \$0.91 - \$1.01 based on the NAV and QMP valuation methodologies (refer to section 8).

The Proposed Scheme, based on the fact that the valuation ranges of a Century pre- implementation and that of the Scheme Consideration overlap is therefore considered to be fair.

10. ASSESSMENT OF REASONABLENESS

In accordance with RG 111, an offer is reasonable if it is fair. On this basis, the Proposed Scheme is reasonable to Century Shareholders.

Nevertheless, we have set out below a summary of other factors we consider relevant in assisting the Century Shareholders in deciding whether or not to vote in favour of the Proposed Scheme.

10.1. Advantages

10.1.1. Reduced Management Expense

In FY18, Century incurred management expenses (excluding brokerage costs) of \$1.703 million. Of this amount, \$1.034 million relates to the management fee payable to MAM. We have excluded fees payable to MAM from our analysis as these fees are variable with the size and performance of the fund. The management expense paid by Century (excluding brokerage investment management fees paid to MAM) in FY18 was \$0.523. This is c. 0.57% of Century's pre-tax net assets as at 31 October 2018, as a percentage of NAV.

Post the proposed merger with WAM Leaders, management have estimated the management expenses (excluding brokerage investment management fees paid to MAM) of the Enlarged Group to be \$0.875 million. This is c. 0.11% of the Enlarged Group's pre-tax net assets as at 31 October 2018, as a percentage of NAV.

The reduction in management expenses is an advantage to Century Shareholders.

10.1.2. Consistent Investment Strategy

A summary of the current portfolios of Century and WAM Leaders are set out at sections 3 and 4. The portfolios held by the two entities are similar in nature.

The portfolios are currently managed by the same manager (MAM), and the Enlarged Group will continue to be managed by MAM.

MAM have advised that the investment strategies of Century and WAM Leaders are aligned, and there is no proposed change to the strategy as a result of the merger.

10.1.3. Increased Size and Scale

Century's pre-tax NTA at 31 October 2018 was \$91.1 million. The pro-forma pre-tax NTA of the Enlarged Group at 31 October 2018 is \$892.6 million.

In general, larger listed entities attract greater investor interest, and greater volume of trading on the exchange. This improved liquidity in share trading is an advantage to Century Shareholders.

10.2. Disadvantages

10.2.1. Potential loss of tax losses

Century currently has recognised tax losses as at 30 June 2018 totalling \$5.4 million and unrecognised tax losses totalling \$6.5 million. As a result of the proposed merger, there will be a change in ownership in Century. There is also a risk that the Australian Taxation Office will consider that Century has failed the same business test since the losses were incurred. If this is the case, Century will not be able to utilise the tax losses.

Even if the tax losses are able to be utilised, the period over which the losses will be utilised will be extended significantly (refer to section 8.1).

The loss of, or the delayed utilisation of the tax losses is a disadvantage to Century Shareholders.

We note that if Century's portfolio was to be liquidated, an immaterial amount of tax losses could be utilised.

10.2.2. Loss of control

Century Shareholders currently control 100% of Century Shares. Century Shareholders will only hold c. 10% of the shares in WAM Leaders post-merger.

However, as discussed at section 5, we do not consider control of an LIC to be a material benefit.



10.2.3. Potential Tax payable (Roll over relief)

Investors may be liable to pay income tax upon the disposal of their Century Shares if the merger proceeds.

Century Shareholders may be able to reduce their current income tax liability by benefiting from scrip-for-scrip rollover relief. The availability of roll over relief is based on individual shareholder circumstances. Shareholders should seek independent tax advice.

10.3. Other Considerations

10.3.1. Base Management Fee

The base management fee payable by Century and WAM Leaders are the same. There will be no change in base management fees payable as a result of the merger.

10.3.2. Performance fee

The calculation of the performance fee payable by both Century and WAM Leaders is the same, except that the WAM Leaders performance fee is paid on an annual basis, while Century's is payable on a semi-annual basis.

10.3.3. Directors' recommendation

The Directors have recommended that Century Shareholders vote in favour of the Proposed Scheme, in the absence of a superior proposal and subject to the Independent Expert continuing to conclude that the Proposed Scheme is in the best interests of the Century Shareholders. Further, the Directors that hold shares in Century have stated they intend to accept the Proposed Scheme.



11. Overall Conclusion

Based on the fairness assessment of Section 9 and the reasonableness of Section 10, we conclude that the Proposed Scheme is fair and reasonable and in the best interests of Century Shareholders.



12. QUALIFICATIONS, DECLARATIONS AND CONSENTS

12.1. Qualifications

BDOCF is the licensed corporate finance arm of BDO East Coast Partnership, Chartered Accountants and Business Advisers. BDOCF provides advice in relation to all aspects of valuations and has extensive experience in the valuation of corporate entities and provision of expert's reports.

Mr David McCourt, B.Bus, CA, is a director of BDOCF and a CA certified Business Valuations Specialist. Mr McCourt is also a partner of BDO East Coast Partnership. Mr McCourt has been responsible for the preparation of this IER.

Mr McCourt has over 19 years of experience in a number of specialist corporate advisory activities including company valuations, financial modelling, preparation and review of business feasibility studies, accounting, advising on mergers and acquisitions and advising on independent expert reports. Accordingly, Mr McCourt is considered to have the appropriate experience and professional qualifications to provide the advice offered.

Mr Sebastian Stevens, B.Bus, CPA is a Director of BDOCF. Mr Stevens is also a partner of BDO East Coast Practice.

Mr Stevens is the Director responsible for the review of this IER. Mr Stevens has over 25 years of experience in a number of specialist corporate advisory activities including company valuations advising on independent expert reports, due diligence investigations, preparation and review of business feasibility studies, public company floats, accounting, advising on mergers and acquisitions, preparation of information memoranda and other corporate investigations. Accordingly, Mr Stevens is considered to have the appropriate experience and professional qualifications to provide the advice offered.

12.2. Independence

We are not aware of any matter or circumstance that would preclude us from preparing this IER on the grounds of independence either under regulatory or professional requirements. In particular, we have had regard to the provisions of applicable pronouncements and other guidance statements relating to professional independence issued by Australian professional accounting bodies and ASIC.

We consider ourselves to be independent in terms of RG 112 Independence of experts, issued by ASIC.

BDOCF was not involved in advising on, negotiating, setting, or otherwise acting in any capacity for Century in relation to the Proposed Scheme. Further, BDOCF has not held and, at the date of this IER, does not hold any shareholding in, or other relationship with Century or WAM Leaders that could be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the Proposed Scheme.

12.3. Disclaimer

This IER has been prepared at the request of the Directors and was not prepared for any purpose other than that stated in this IER. This IER has been prepared for the sole benefit of the Directors and Shareholders. Accordingly, this IER and the information contained herein may not be relied upon by anyone other than the Directors and Shareholders without our written consent. We accept no responsibility to any person other than the Directors and Shareholders in relation to this IER.

The statements and opinions contained in this IER are given in good faith and are based upon our consideration and assessment of information provided by the Directors, executives and management of all the entities.

13. APPENDICES

APPENDIX 1: SOURCES OF INFORMATION

In preparing this IER, we had access to and relied upon the following principal sources of information:

1. Century Scheme Booklet
2. Century Investment Update as at 31 October 2018
3. Century Annual Reports for years ended 30 June 2017 and 30 June 2018
4. Century Interim Financial Report for the half year ended 31 December 2017
5. Unaudited Century management accounts for the 4 months ended 31 October 2018
6. Scheme Implementation Agreement between Century and WAM Leaders dated 13 November 2018
7. WAM Leaders Annual Reports for 16 months to June 2017 and the year ended 30 June 2018
8. Unaudited WAM Leaders management accounts for the 4 months ended 31 October 2018
9. WAM Leaders Investment Update as at 31 October 2018
10. ASX announcements
11. Discussions with the directors and management of Century
12. Information sourced from Capital IQ and MergerMarket
13. ASIC guidance notes and regulatory guides as applicable
14. Other generally available public information



APPENDIX 2: VALUATION METHODS - BUSINESSES AND ASSETS

In conducting our assessment of the FMV of Century Shares and WAM Leaders Shares, the following commonly used business valuation methods have been considered:

Discounted Cash Flow Method

The discounted cash flow (“DCF”) method is based on the premise that the value of a business or any asset is represented by the present value of its future cash flows. It requires two essential elements:

1. the forecast of future cash flows of the business asset for a number of years (usually five to 10 years); and
2. the discount rate that reflects the riskiness of those cash flows used to discount the forecast cash flows back to net present value (“NPV”).

DCF is appropriate where:

3. the businesses’ earnings are capable of being forecast for a reasonable period (preferably 5 to 10 years) with reasonable accuracy;
4. earnings or cash flows are expected to fluctuate significantly from year to year;
5. the business or asset has a finite life;
6. the business is in a ‘start up’ or in early stages of development;
7. the business has irregular capital expenditure requirements;
8. the business involves infrastructure projects with major capital expenditure requirements; or
9. the business is currently making losses but is expected to recover.

Capitalisation of Earnings Method

This method involves the capitalisation of normalised earnings by an appropriate multiple. Normalised earnings are the assessed sustainable profits that can be derived by the vendor’s business and excludes any one off profits or losses. An appropriate earnings multiple is assessed by reference to market evidence as to the earnings multiples of comparable companies.

This method is suitable for the valuation of businesses with indefinite trading lives and where earnings are relatively stable or a reliable trend in earnings is evident.

Net Asset Value

Asset based valuations involve the determination of the FMV of a business based on the net realisable value of the assets used in the business.

Valuation of net realisable assets involves:

10. separating the business or entity into components which can be readily sold, such as individual business Shares or collection of individual items of plant and equipment and other net assets; and
11. ascribing a value to each based on the net amount that could be obtained for this asset if sold.

The net realisable value of the assets can be determined on the basis of:

12. **Orderly realisation:** this method estimates FMV by determining the net assets of the underlying business including an allowance for the reasonable costs of carrying out the sale of assets, taxation charges and the time value of money assuming the business is wound up in an orderly manner. This is not a valuation on the basis of a forced sale where the assets might be sold at values materially different from their FMV;
13. **Liquidation:** this is a valuation on the basis of a forced sale where the assets might be sold at values materially different from their FMV; or
14. **Going concern:** the net assets on a going concern basis estimates the market value of the net assets but does not take into account any realisation costs. This method is often considered appropriate for the valuation of an investment or property holding company. Adjustments may need to be made to the book value of assets and liabilities to reflect their going concern value.

The net realisable value of a trading company's assets will generally provide the lowest possible value for the business. The difference between the value of the company's identifiable net assets (including identifiable intangibles) and the value obtained by capitalising earnings is attributable to goodwill.

The net realisable value of assets is relevant where a company is making sustained losses or profits but at a level less than the required rate of return, where it is close to liquidation, where it is a holding company, or where all its assets are liquid. It is also relevant to businesses which are being segmented and divested and to value assets that are surplus to the core operating business. The net realisable assets methodology is also used as a check for the value derived using other methods.

These approaches ignore the possibility that the company's value could exceed the realisable value of its assets.

Quoted Market Prices

The application of the price that a company's shares trade on the ASX is an appropriate basis for valuation where:

15. the shares trade in an efficient market place where 'willing' buyers and sellers readily trade the company's shares; and
16. the market for the company's shares is active and liquid.



APPENDIX 3: Discounts/ Premiums to NTA

Company Name	FY2017			FY2018		
	Share Price	NTA	Premium/(Discount)	Share Price	NTA	Premium/(Discount)
Amcil Limited	0.92	0.95	-3.7%	0.96	1.02	-5.9%
Argo Investments Limited	7.67	7.71	-0.5%	7.97	8.16	-2.3%
Arowana Australasian Value Opportunities Fund Ltd	0.90	1.03	-12.6%	1.18	1.33	-11.3%
Australian Foundation Investment Company Limited	5.81	5.90	-1.4%	6.16	6.27	-1.8%
Australian United Investment Co. Ltd.	8.09	8.57	-5.6%	8.65	9.21	-6.1%
BKI Investment Company Limited	1.62	1.61	0.6%	1.53	1.63	-6.4%
Cadence Capital Limited	1.24	1.24	-0.6%	1.25	1.30	-3.7%
Carlton Investments Limited	31.50	36.65	-14.1%	33.08	37.09	-10.8%
CBG Capital Limited	0.87	0.97	-10.8%	0.89	1.06	-16.1%
Century Australia Investments Limited	0.93	0.94	-1.2%	0.96	1.04	-7.7%
Concentrated Leaders Fund Limited	1.17	1.27	-7.9%	1.24	1.36	-9.2%
Contango Income Generator Limited	0.97	1.01	-4.8%	0.94	0.96	-1.8%
Diversified United Investment Limited	3.72	4.00	-7.0%	4.10	4.47	-8.3%
Djerriwarrh Investments Limited	3.68	3.24	13.6%	3.38	3.31	2.1%
Future Generation Investment Company Limited	1.10	1.14	-3.9%	1.26	1.28	-2.0%
Ironbark Capital Limited	0.50	0.54	-7.1%	0.49	0.54	-8.6%
Milton Corporation Limited	4.51	4.51	0.0%	4.61	4.73	-2.5%
Mirrabooka Investments Limited	2.70	2.39	13.0%	2.69	2.59	3.9%
Monash Absolute Investment Company Limited	0.75	0.87	-14.2%	0.82	0.98	-16.6%
Perpetual Equity Investment Company Limited	1.04	1.10	-5.6%	1.17	1.14	2.6%
WAM Capital Limited	2.39	1.92	24.5%	2.38	1.98	20.2%
WAM Leaders Limited	1.12	1.15	-3.0%	1.15	1.19	-3.4%
Watermark Market Neutral Fund Limited	1.01	1.01	0.0%	0.80	0.96	-16.7%
Westoz Investment Company Limited	0.96	1.06	-9.1%	1.17	1.23	-4.9%
Whitefield Limited	4.54	4.91	-7.5%	4.54	5.01	-9.4%

Source: Capital IQ and BDOCF analysis

APPENDIX 4: GLOSSARY

Term	Definition
16M17	16 months ending 30 June 2017
Act	Corporations Act 2001 (Cth)
Agreement	Scheme implementation agreement dated 13 November 2018
APES 225	Accounting Professional & Ethical Standards Board Limited issued professional standard APES 225 on valuation services
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
AUASB	Australian Auditing And Assurance Standards Board
AUD	Australian Dollar
Benchmark	S&P/ASX 300 Accumulation Index
BDOCF, we, us or our	BDO Corporate Finance (East Coast) Pty Ltd (ABN 70 050 038 170)
Calculation Date	31 January 2019
Century or the Company	Century Australia Investments Limited
Century Management Agreement	Investment management agreement between MAM and Century
Century Shareholders	Shareholders of Century
Century Shares	A fully paid ordinary share in the capital of Century
COE	Capitalisation of future maintainable earnings method
DCF	Discounted cash flow method
Directors	Directors of Century
Enlarged Group	The combined businesses of Century and WAM Leaders
EV	Enterprise value
Exchange Ratio	The effective share exchange ratio at the implementation date, calculated by reference to the relative pre-tax NTA backing per share of Century and WAM Leaders
FMV	Fair market value
FYxx	Financial year ended/ing 30 June 20xx
LIC	Listed Investment Company
MAM	MAM Pty Ltd
Management	Management of Century
MER	Management expense ratio
NAV	Net asset value
New WAM Leaders Share	The scrip consideration in WAM Leaders to be issued to Century Shareholders
NPAT	Net profit after tax
NTA	Net Tangible Asset
NTA Formula	The formula based upon the perspective pre-tax NTAs of the two entities used to estimate the number of New WAM Leaders Shares
Outperformance	WAM Leaders' performance as it relates to the S&P/ASX 200 Accumulation Index
Proposed Scheme	Proposed scheme of arrangement to which WAM Leaders will acquire all of the shares in Century
QMP	Quoted market price
Report or IER	Independent expert's report
RG 60	ASIC Regulatory Guide 60: Schemes of arrangement
RG 111	ASIC Regulatory Guide 111: Content of expert reports
RG 112	ASIC Regulatory Guide 112: Independence of experts
Scheme Booklet	Century's scheme booklet in relation to the Proposed Scheme, dated on or about 30 November 2018
Scheme Consideration	Scrip consideration to be received by Century Shareholders per Century Share held.
Share Exchange Ratio	The ratio of new WAM Leaders shares to be received for each Century Share held

Term	Definition
<i>Shareholders</i>	An individual who owns an interest in Century
<i>TSR</i>	Total Shareholder Return
<i>Valuation Date</i>	13 November 2018
<i>VWAP</i>	Volume Weighted average Price
<i>WAM Leaders</i>	WAM Leaders Limited
<i>YTD</i>	Year-to-date

Scheme Implementation Agreement

WAM Leaders Limited

(ACN 611 053 751)

Century Australia Investments Limited

(ACN 107 772 761)



KARDOS • SCANLAN

CORPORATE LAWYERS

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THIS SCHEME IMPLEMENTATION AGREEMENT is made on 13 November 2018.

BETWEEN **WAM Leaders Limited** (ACN 611 053 751) of Level 26, Governor Phillip Tower, 1 Farrer Place, Sydney, NSW, 2000 (**WAM Leaders**);

AND **Century Australia Investments Limited** (ACN 107 772 761) of Level 12, 680 George Street, Sydney, NSW, 2000 (**Century**).

RECITALS

- A Century and WAM Leaders have agreed that WAM Leaders will acquire Century by means of a scheme of arrangement under Part 5.1 of the Corporations Act between Century and Century Shareholders.
- B The Scheme will involve Century Shareholders exchanging their Scheme Shares for shares in WAM Leaders on NTA-for-NTA valuation basis. A cash alternative may be offered to Century Shareholders.
- C WAM Leaders and Century have agreed to implement the scheme of arrangement on the terms of this Agreement.

OPERATIVE PROVISIONS

1. DEFINITIONS AND INTERPRETATION

1.1. Definitions

In this Agreement:

ASIC means the Australian Securities & Investments Commission.

ASIC Relief means the relief contemplated by Clause 3.1(a).

ASX means ASX Limited (ACN 008 624 691) or, as the context requires, the financial market operated by it.

Australian Accounting Standards means the accounting standards promulgated by the Australian Accounting Standards Board.

Business Day means a weekday on which trading banks are open for business in Sydney, Australia, excluding any Saturday, Sunday or public holiday.

Calculation Date means:

- (a) if the Second Court Date occurs within 10 Business Days of 31 January 2019, 5:00pm (Sydney time) on 31 January 2019; or
- (b) otherwise, 5:00pm (Sydney time) on the Second Court Date,

or such other time and date as Century and WAM Leaders agree in writing.

Century Board means the board of directors of Century.

Century Constitution means the constitution of Century.

Century Management Agreement means the Investment Management Agreement between Century and the Manager dated 18 April 2017.

Century Material Adverse Change means one or more changes, events, occurrences or matters that occurs after the date of this Agreement which (whether individually or when aggregated with all such changes, events, occurrences or matters of a like kind) has had or will have:

- (a) a material adverse effect on the business, assets, liabilities, financial condition or results of operations of Century; or
- (b) an effect that will prevent, materially delay or materially impair Century's ability to consummate the Transaction,

excluding alone or in combination those changes, events, occurrences or matters:

- (a) required by this Agreement, the Transaction or transactions contemplated by them;
- (b) involving any change in the market price or trading volume of shares after the date of this Agreement;
- (c) which took place with the prior written consent of WAM Leaders;
- (d) relating to the global economy or securities markets in general; or
- (e) which took place as a result of anything done or omitted to be done by the Manager.

Century NTA means the NTA of Century as at the Calculation Date as certified by the Manager in accordance with Clause 4.3.

Century Parties means Century and its directors and officers and its advisers in connection with the Transaction.

Century Prescribed Occurrence means the occurrence of any of the following:

- (a) Century converting all or any of its securities into a larger or smaller number of securities;
- (b) Century resolving to reduce its capital in any way or reclassifying, combining, splitting or redeeming or repurchasing directly or indirectly any of its securities;
- (c) Century, directly or indirectly, declaring, paying or distributing any dividend, bonus or other share of its profits or assets by way of dividend, capital reduction or otherwise;
- (d) Century:
 - (i) entering into a buy-back agreement; or
 - (ii) resolving to approve the terms of a buy-back agreement under the Corporations Act,
- (e) Century:
 - (i) issuing securities, or granting an option over its securities, or agreeing to make such an issue or grant such an option to any person; or

- (ii) issuing or agreeing to issue, securities or other instruments convertible into securities to any persons,
- (f) Century making any change to the Century Constitution;
- (g) the appointment of a liquidator, provisional liquidator, administrator or other external controller to Century;
- (h) the appointment of a receiver, receiver and manager or other external controller in relation to the whole, or a substantial part, of the property of Century;
- (i) Century executing a deed of company arrangement;
- (j) any court of competent jurisdiction making an order for the winding up of Century;
- (k) Century ceasing, or threatening to cease, to carry on the business it conducted as at the date of this Agreement;
- (l) Century being or becoming unable to pay its debts when they fall due within the meaning of the Corporations Act (or under the relevant law of the jurisdiction in which it is incorporated) or being otherwise presumed to be insolvent under the Corporations Act (or under the relevant law of the jurisdiction in which the Century is incorporated);
- (m) Century acquiring or disposing of or agreeing to acquire or dispose of, or offering, proposing, or announcing a bid, or tendering, for, any business, assets, entity or undertaking, with a value in excess of \$50,000;
- (n) Century creating, or agreeing to create, any mortgage, charge, lien or other encumbrance over a material asset;
- (o) Century entering into, or terminating, any contract or commitment requiring, or amending or agreeing to amend any contract such that the amendment would require, total payments in excess of \$50,000 or which would have a material adverse effect on Century;
- (p) Century entering into any new financing arrangement, agreement or instrument (irrespective of what form that accommodation takes), or amending the terms of, or terminating, any existing financing arrangement, agreement or instrument;
- (q) Century entering into, or terminating, any agreement, arrangement or transaction with respect to derivative instruments (including swaps, futures contracts, forward commitments, commodity derivatives or options) or similar instruments, except foreign currency hedges made in the ordinary course of business and in accordance with existing policy as at the date of this Agreement;
- (r) Century resolving that it be wound up, or the making of an application or order for its winding up or dissolution other than where the application or order (as the case may be) is set aside within 14 days but, in any event, prior to 8.00 am on the Second Court Date;
- (s) the Century Management Agreement is terminated, or notice of termination of, or intent to terminate, the Century Management Agreement has been given by either party to it;
- (t) Century amending the terms of the Century Management Agreement, waiving any material rights under the Century Management Agreement or executing any agreement,

arrangement or understanding with any party other than the Manager relating in any way to the management of the portfolio of investments of Century; or

- (u) Century authorising, committing or agreeing to take any of the actions referred to in paragraphs (a) to (t) above;

provided that a Century Prescribed Occurrence will not include a matter:

- (a) that is done in the ordinary course of business and consistent with past practice;
- (b) that is required to be done or procured by Century pursuant to the Transaction;
- (c) the undertaking of which has been the subject of prior approval in writing by WAM Leaders; or
- (d) that is done by the Manager in the ordinary course of fulfilling its obligations under the Century Management Agreement.

Century Warranties means the representations provided by Century under Clause 5.1.

Competing Transaction means any proposal by a Third Party in relation to a transaction or arrangement under which if the transaction or arrangement is completed:

- (a) a person would acquire (whether directly or indirectly) or become the holder of, or otherwise have a right to acquire or have an economic interest in, all or substantially all of the business conducted by Century, or the assets of Century;
- (b) a person would acquire (whether directly or indirectly) Control of Century;
- (c) a person would acquire a relevant interest in, or voting power of, 50% or more of the Century Shares;
- (d) a person would otherwise acquire, or merge or amalgamate with, Century (or any member of Century); or
- (e) Century would be required to abandon or otherwise fail to proceed with the Transaction.

Condition Precedent means a condition precedent set out in Clause 3.1.

Confidentiality Agreement means the agreement of that name dated 12 November 2018 executed by WAM Leaders and Century.

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

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

Court means the Federal Court of Australia or such other court of competent jurisdiction under the Corporations Act as WAM Leaders and Century agree in writing.

Deed Poll means the deed poll to be granted by WAM Leaders in substantially the form set out in Schedule 3.

Director means a director of Century from time to time.

Effective means, when used in relation to the Scheme, the coming into effect, under section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) in relation to the Scheme.

Effective Date means the date on which the Scheme becomes Effective.

End Date means 1 April 2019.

Explanatory Statement means the statement pursuant to section 412 of the Corporations Act which has been, or will be, registered by ASIC in relation to the Scheme, which forms part of the Scheme Booklet.

First Court Date means the first day on which an application made to the Court for an order under section 411(1) of the Corporations Act convening the Scheme Meeting is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard.

Government Agency means any Australian government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity, or any minister of the Crown in right of the Commonwealth of Australia or any state.

Implementation Date means the day 5 Business Days after the Record Date or such other date as Century and WAM Leaders agree in writing.

Independent Board Committee means a committee of the Century Board comprising all Directors other than Directors nominated by or associated with the Manager so that as at the date of this Agreement, the members of the committee are Robert Turner, Stephen Menzies and Ross Finley.

Independent Director means a member of the Independent Board Committee.

Independent Director Share means a Century Share held or controlled by an Independent Director.

Independent Expert means the independent expert in respect of the Scheme appointed by Century.

Independent Expert's Report means the report prepared by the Independent Expert to be provided to Century and Century Shareholders providing an opinion, among other things, as to whether the Scheme is in the best interests of Century Shareholders.

Investment Entity has the meaning given in the Listing Rules.

Listing Rules means the official listing rules of the ASX.

Manager means MAM Pty Limited (ACN 100 276 542).

Material Contract means any contract or commitment by Century involving an amount of not less than \$50,000 or which is for a period of not less than 60 days.

No Shop Period and **No Talk Period** means the period from and including the date of this Agreement to the earlier of the termination of this Agreement and the Effective Date.

NTA means the pre-tax net tangible asset backing of Century or WAM Leaders (as the context requires) per Century Share or WAM Leaders Share (as the case may be) after excluding all current and deferred tax assets and liabilities and calculated on the basis that an amount pertaining to each

of Century's and WAM Leader's proportion of the Transaction Costs calculated in accordance with Clause 12.1(a) remains unpaid as at the Calculation Date is treated as a liability of Century or WAM Leaders (as applicable), calculated in accordance with the Corporations Act, Australian Accounting Standards (including the Australian Accounting Interpretations), the Corporations Regulations and consistent with the requirements of the Listing Rules for an Investment Entity, rounded to the nearest one hundredth of a cent.

Proceeding means any suit, litigation, arbitration, proceeding (including any civil, criminal, administrative, investigative or appellate proceeding), hearing, audit, examination or investigation commenced, brought, conducted or heard by or before or otherwise involving any court or other Government Agency or any arbitrator or arbitration panel.

RG 60 means Regulatory Guide 60 issued by ASIC on 22 September 2011.

Record Date means 7.00pm on the fifth Business Day after the Effective Date or such other date as Century and WAM Leaders agree.

Registered Address means, in relation to a Century Shareholder, the address of the Century Shareholder as recorded in the Share Register.

Registry means Link Market Services Limited of Locked Bag A14 Sydney South, NSW 1235.

Regulator's Draft means the draft of the Scheme Booklet in a form acceptable to both Parties which is provided to ASIC for approval pursuant to section 411(2) of the Corporations Act.

Related Body Corporate has the meaning set out in the Corporations Act.

Relevant Interest has the meaning given in Sections 608 and 609 of the Corporations Act.

Representative in respect of a Party, means each director, officer, employee, advisor, agent or representative of that Party or Subsidiary.

Scheme means the scheme of arrangement under Part 5.1 of the Corporations Act between Century and the Century Shareholders, the form of which is set out in Schedule 2 (or in such other form as may be agreed to in writing by Century and WAM Leaders).

Scheme Booklet means the information relating to the Transaction to be approved by the Court and dispatched to all Century Shareholders, including the Scheme, the Explanatory Statement, the Independent Expert's Report, the Deed Poll, the notice convening the Scheme Meeting and the proxy form for the Scheme Meeting.

Scheme Consideration means the consideration to be provided by WAM Leaders to each Scheme Participant for the transfer to WAM Leaders of each Scheme Share as set out in the Scheme.

Scheme Meeting means the meeting of Century Shareholders ordered by the Court to be convened under section 411(1) of the Corporations Act.

Scheme Participant means each Century Shareholder as at the Record Date.

Scheme Participant Notice means a notice setting out the name and Registered Address of each Scheme Participant and the number of Scheme Shares held by each Scheme Participant.

Scheme Share means a Century Share held by a Scheme Participant as at the Record Date.

Scheme Transfer means for each Scheme Participant, a duly completed and executed proper instrument of transfer of the Scheme Participant's Scheme Shares for the purposes of section 1071B of the Corporations Act, which may be a master transfer of all the Scheme Shares.

Second Court Date means the first day on which the application made to the Court for an order for the purposes of section 411(4)(b) of the Corporations Act approving the Scheme is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard.

Share Register means the register of members of Century.

Subsidiary has the meaning set out in the Corporations Act.

Superior Competing Transaction means a bona fide unsolicited Competing Transaction received by Century after the date of this Agreement which the Independent Board Committee has determined, acting in good faith and in accordance with their fiduciary duties, and after consultation with and the receipt of written advice from the Independent Board Committee's external legal advisors (including obtaining senior counsel's opinion) or financial advisers is:

- (a) reasonably capable of being completed, taking into account all aspects of the Competing Transaction and the person making it; and
- (b) more favourable to Century Shareholders (as a whole) than the Transaction, taking into account all the terms and conditions of the Competing Transaction.

Transaction means implementation of the Scheme.

Transaction Costs means the transaction costs of the Parties referred to in clause 12.1(a).

Timetable means the indicative timetable for the Transaction set out in Schedule 1.

Third Party means a person other than WAM Leaders and its Representatives.

WAM Leaders Board means the board of directors of WAM Leaders from time to time.

WAM Leaders Constitution means the constitution of WAM Leaders.

WAM Leaders Counterproposal has the meaning given in clause 4.6(d).

WAM Leaders Information means information regarding WAM Leaders, the Manager and other entities managed by the Manager and its Related Bodies Corporate, provided by WAM Leaders for inclusion in the Scheme Booklet.

WAM Leaders Management Agreement means the Investment Management Agreement between WAM Leaders and the Manager dated 4 April 2016.

WAM Leaders Material Adverse Change means one or more changes, events, occurrences or matters that occurs after the date of this Agreement which (whether individually or when aggregated with all such changes, events, occurrences or matters of a like kind) has had or will have:

- (a) a material adverse effect on the business, assets, liabilities, financial condition or results of operations of WAM Leaders; or

- (b) an effect that will prevent, materially delay or materially impair WAM Leaders' ability to consummate the Transaction,

excluding alone or in combination those changes, events, occurrences or matters:

- (a) required by this Agreement, the Transaction or transactions contemplated by them;
- (b) involving any change in the market price or trading volume of shares after the date of this Agreement;
- (c) which took place with the prior written consent of Century; or
- (d) relating to the global economy or securities markets in general.

WAM Leaders NTA means the NTA of WAM Leaders on the Calculation Date as certified by the Manager in accordance with Clause 4.3.

WAM Leaders Parties means WAM Leaders and its directors and officers and its advisers in connection with the Transaction, but for avoidance of doubt does not include the Manager.

WAM Leaders Share means a fully paid ordinary share in the capital of WAM Leaders.

WAM Leaders Shareholder means a person who is registered in the WAM Leaders share register as the holder of a WAM Leaders Share.

WAM Leaders Warranties means the representations provided by WAM Leaders under Clause 5.4.

WAM Leaders Prescribed Occurrence means the occurrence of any of the following:

- (a) WAM Leaders converting all or any of its securities into a larger or smaller number of securities;
- (b) WAM Leaders resolving to reduce its capital in any way or reclassifying, combining, splitting or redeeming or repurchasing directly or indirectly any of its securities;
- (c) WAM Leaders, directly or indirectly, declaring, paying or distributing any dividend, bonus or other share of its profits or assets by way of dividend, capital reduction or otherwise (where the record date for that dividend, bonus or other share of its profits or assets, falls prior to the Implementation Date);
- (d) WAM Leaders:
 - (i) entering into a buy-back agreement; or
 - (ii) resolving to approve the terms of a buy-back agreement under the Corporations Act;
- (e) WAM Leaders:
 - (i) issuing securities, or granting an option over its securities, or agreeing to make such an issue or grant such an option to any person; or
 - (ii) issuing or agreeing to issue, securities or other instruments convertible into securities to any person;

- (f) WAM Leaders making any change to the WAM Leaders Constitution;
- (g) the appointment of a liquidator, provisional liquidator, administrator or other external controller to WAM Leaders;
- (h) the appointment of a receiver, receiver and manager or other external controller in relation to the whole, or a substantial part, of the property of WAM Leaders;
- (i) WAM Leaders executing a deed of company arrangement;
- (j) any court of competent jurisdiction making an order for the winding up of WAM Leaders;
- (k) WAM Leaders ceasing, or threatening to cease, to carry on the business it conducted as at the date of this Agreement;
- (l) WAM Leaders being or becoming unable to pay its debts when they fall due within the meaning of the Corporations Act (or under the relevant law of the jurisdiction in which it is incorporated) or being otherwise presumed to be insolvent under the Corporations Act (or under the relevant law of the jurisdiction in which the WAM Leaders is incorporated);
- (m) WAM Leaders acquiring or disposing of or agreeing to acquire or dispose of, or offering, proposing, or announcing a bid, or tendering, for, any business, assets, entity or undertaking, with a value in excess of \$50,000;
- (n) WAM Leaders creating, or agreeing to create, any mortgage, charge, lien or other encumbrance over a material asset;
- (o) WAM Leaders entering into, or terminating, any contract or commitment requiring, or amending or agreeing to amend any contract such that the amendment would require, total payments in excess of \$50,000 or which would have a material adverse effect on WAM Leaders;
- (p) WAM Leaders entering into any new financing arrangement, agreement or instrument (irrespective of what form that accommodation takes), or amending the terms of, or terminating, any existing financing arrangement, agreement or instrument;
- (q) WAM Leaders entering into, or terminating, any agreement, arrangement or transaction with respect to derivative instruments (including swaps, futures contracts, forward commitments, commodity derivatives or options) or similar instruments, except foreign currency hedges made in the ordinary course of business and in accordance with existing policy as at the date of this Agreement;
- (r) WAM Leaders resolving that it be wound up, or the making of an application or order for its winding up or dissolution other than where the application or order (as the case may be) is set aside within 14 days but, in any event, prior to 8.00 am on the Second Court Date;
- (s) the WAM Leaders Management Agreement is terminated, or notice of termination of, or intent to terminate, the WAM Leaders Management Agreement has been given by either party to it;
- (t) WAM Leaders amending the terms of the WAM Leaders Management Agreement, waiving any material rights under the WAM Leaders Management Agreement or executing any

agreement, arrangement or understanding with any party other than the Manager relating in any way to the management of the portfolio of investments of WAM Leaders; or

- (u) WAM Leaders authorising, committing or agreeing to take any of the actions referred to in paragraphs (a) to (t) above;

provided that a WAM Leaders Prescribed Occurrence will not include a matter:

- (a) that is done in the ordinary course of business and consistent with past practice;
- (b) that is required to be done or procured by WAM Leaders pursuant to the Transaction;
- (c) the undertaking of which has been the subject of prior approval in writing by Century; or
- (d) that is done by the Manager in the ordinary course of fulfilling its obligations under the WAM Leaders Management Agreement.

1.2. Interpretation

In this Agreement, headings and bold type are for convenience only and do not affect interpretation and, unless the context requires otherwise:

- (a) words importing the singular include the plural and vice versa;
- (b) words importing a gender include any gender;
- (c) other parts of speech and grammatical forms of a word or phrase defined in this Agreement have a corresponding meaning;
- (d) a reference to a person includes an individual, the estate of an individual, a corporation, an authority, an association or a joint venture, a partnership, a trust and any Government Agency;
- (e) a reference to a Clause, Party, Attachment or Schedule is a reference to a clause of, and a party, attachment and schedule to this Agreement, and a reference to this Agreement includes any Attachment and Schedule;
- (f) a reference to a statute, regulation, proclamation, ordinance or by-law includes all statutes, regulations, proclamations ordinances or by-laws amending, consolidating or replacing it, whether passed by the same or another Government Agency with legal power to do so, and a reference to a statute includes all regulations, proclamations, ordinances and by laws issued under that statute;
- (g) a reference to any document (including this Agreement) is to that document as varied, novated, ratified or replaced from time to time;
- (h) the word **includes** in any form is not a word of limitation;
- (i) a reference to **\$** or **dollar** is to Australian currency;
- (j) a reference to any time, unless otherwise indicated, is a reference to the time in Sydney, Australia;

- (k) if an event must occur on a stipulated day which is not a Business Day then the stipulated day will be taken to be the next Business Day;
- (l) a term defined in or for the purposes of the Corporations Act has the same meaning when used in this Agreement; and
- (m) a reference to the Listing Rules includes any variation, consolidation or replacement of these rules and is to be taken to be subject to any waiver or exemption granted to the compliance of those rules by a Party.

2. AGREEMENT TO PROCEED WITH THE TRANSACTION

2.1. Proposal of Transaction

Century agrees to propose the Transaction on and subject to the terms of this Agreement.

2.2. Assistance by WAM Leaders

WAM Leaders agrees with Century to assist Century to propose the Transaction on and subject to the terms of this Agreement.

3. CONDITIONS PRECEDENT

3.1. Conditions Precedent to the Scheme

The Scheme will not become Effective, and the obligations of WAM Leaders under the Deed Poll and Clauses 4.2(j) and 4.2(k) are not binding, until each of the following conditions precedent is satisfied or waived in the manner set out in Clause 3.3:

- (a) **ASIC Relief:** if (and only if) the Second Court Date occurs more than ten weeks after the date of the Scheme Booklet, WAM Leaders obtaining relief from ASIC with respect to the operation of section 723(3)(b) of the Corporations Act to allow WAM Leaders to seek to have the Scheme Consideration issued on or before the date four months after the date of the Scheme Booklet;
- (b) **Scheme Meeting Approval:** Century Shareholders agree to the Scheme at the Scheme Meeting by the requisite majorities under the Corporations Act;
- (c) **Court Approval:** the Court approves the Scheme in accordance with section 411(4)(b) of the Corporations Act;
- (d) **Restraints:** no temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction or Government Agency or other material legal restraint or prohibition preventing the Transaction from being implemented is in effect at 8.00 am on the Second Court Date;
- (e) **Century Material Adverse Change:** no Century Material Adverse Change occurs, is announced or is otherwise discovered by WAM Leaders (whether or not it becomes public) between the date of this Agreement and 8.00 am on the Second Court Date;
- (f) **WAM Leaders Material Adverse Change:** no WAM Leaders Material Adverse Change occurs, is announced or is otherwise discovered by Century (whether or not it becomes public) between the date of this Agreement and 8.00 am on the Second Court Date;

- (g) **Century Prescribed Occurrence:** no Century Prescribed Occurrence occurs between the date of this Agreement and 8.00 am on the Second Court Date;
- (h) **WAM Leaders Prescribed Occurrence:** no WAM Leaders Prescribed Occurrence occurs between the date of this Agreement and 8.00 am on the Second Court Date;
- (i) **No breach of Century Warranty:** none of the Century Warranties is or has become false, misleading or incorrect in a material respect by 8.00am on the Second Court Date;
- (j) **No breach of WAM Leaders Warranty:** none of the WAM Leaders Warranties is or has become false, misleading or incorrect in a material respect by 8.00am on the Second Court Date; and
- (k) **Independent Expert:** the Independent Expert issues a report which concludes that the Scheme is in the best interests of Century Shareholders before the time when the Scheme Booklet is registered with ASIC and the Independent Expert has not publicly withdrawn or qualified this conclusion before 8am on the Second Court Date.

3.2. Reasonable endeavours

- (a) Century must use its reasonable endeavours to procure that:
 - (i) the Conditions Precedent in Clauses 3.1(e) and 3.1(g) are satisfied; and
 - (ii) there is no occurrence within the control of Century that would prevent the Conditions Precedent in Clauses 3.1(e), 3.1(g) and 3.1(i) being satisfied.
- (b) WAM Leaders must use its reasonable endeavours to procure that:
 - (i) the Conditions Precedent in Clauses 3.1(f) and 3.1(h) are satisfied; and
 - (ii) there is no occurrence within the control of WAM Leaders that would prevent the Conditions Precedent in Clauses 3.1(f), 3.1(h) and 3.1(j) being satisfied.
- (c) Century and WAM Leaders must each use its reasonable endeavours to procure that:
 - (i) each of the Conditions Precedent in Clauses 3.1(a) to 3.1(d) and 3.1(k) is satisfied as soon as practicable after the date of this Agreement; and
 - (ii) there is no occurrence within the control of Century or WAM Leaders (as the context requires) that would prevent the Conditions Precedent in Clauses 3.1(a) to 3.1(d) and 3.1(k) being satisfied.

3.3. Waiver of Conditions Precedent

- (a) The Conditions Precedent in Clauses 3.1(b) and 3.1(c) cannot be waived.
- (b) The Conditions Precedent in Clauses 3.1(a) and 3.1(d) are for the benefit of Century and WAM Leaders and any breach or non-fulfilment of those Conditions Precedent may only be waived with the written consent of both Century and WAM Leaders (each in its absolute discretion).

- (c) The Conditions Precedent in Clauses 3.1(e), 3.1(g) and 3.1(i) are for the sole benefit of WAM Leaders and any breach or non-fulfilment of any of those Conditions Precedent may be waived with the written consent of WAM Leaders (in its absolute discretion).
- (d) The Conditions Precedent in Clauses 3.1(f), 3.1(h), 3.1(j) and 3.1(k) are for the sole benefit of Century and any breach or non-fulfilment of any of those Conditions Precedent may be waived with the written consent of Century (in its absolute discretion).
- (e) Waiver of a breach or non-fulfilment in respect of one Condition Precedent does not constitute:
 - (i) a waiver of a breach or non-fulfilment of any other Condition Precedent resulting from the same event; or
 - (ii) a waiver of a breach or non-fulfilment of that Condition Precedent resulting from any other event.

3.4. Termination on failure of Condition Precedent

- (a) If:
 - (i) a Condition Precedent is not satisfied or waived by the date specified for its satisfaction;
 - (ii) a Condition Precedent becomes incapable of being satisfied by the date specified for its satisfaction and is not waived; or
 - (iii) the Scheme has not become Effective by the End Date,

and the relevant occurrence or the failure of the Condition Precedent does not arise out of a breach of Clause 3.2 or 3.5, then Century and WAM Leaders must consult in good faith with a view to:

 - (iv) determining whether the Transaction may proceed by way of alternative means or methods and, if so, agree on the terms of such alternative means or methods;
 - (v) changing the date of the application to be made to the Court for an order under section 411(4)(b) of the Corporations Act approving the Scheme or adjourning that application (as applicable) to another date agreed by the Parties (being a date not later than 5 Business Days before the End Date);
 - (vi) adjourning, or changing the date of the Scheme Meeting; or
 - (vii) extending the End Date.
- (b) If:
 - (i) Century and WAM Leaders are unable to reach agreement under Clause 3.4(a) within 5 Business Days of the date on which they both become aware that the Condition Precedent is not satisfied or has become incapable of being satisfied (or, if earlier, by 8.00 am on the Second Court Date); or
 - (ii) the Scheme has not become Effective by the End Date,

then unless the Condition Precedent is waived (and subject to Clause 3.4(c)), either Party may terminate this Agreement at any time prior to 8.00 am on the Second Court Date with immediate effect by written notice to the other Party.

- (c) A Party may not terminate this Agreement under Clause 3.4(b), if the relevant Condition Precedent has not been satisfied, or is incapable of being satisfied, or there is an occurrence that will prevent the Condition Precedent being satisfied by the date specified in this Agreement for its satisfaction, as a result of:
 - (i) a deliberate act or omission by that Party or its Subsidiaries, or any of their Representatives; or
 - (ii) a breach of this Agreement by that Party.
- (d) Subject to any rights or obligations arising under or pursuant to Clauses that are expressed to survive termination, on termination of this Agreement, no Party has any rights against or obligations to any other Party under this Agreement except for those rights and obligations which accrued prior to termination.

3.5. Certain notices

- (a) If, before the time specified for satisfaction of a Condition Precedent, an event that will prevent that Condition Precedent being satisfied occurs, the Party with knowledge of that event must promptly give the other Party written notice of that event.
- (b) Century must promptly advise WAM Leaders orally and in writing of any change or event causing, or which, so far as can reasonably be foreseen, would cause:
 - (i) a representation or warranty provided in this Agreement by Century (**Century Warranty**) to be false in a material respect;
 - (ii) a breach or non-fulfilment of any of the Conditions Precedent; or
 - (iii) a material breach of this Agreement by a member of Century or its Representatives.
- (c) WAM Leaders must promptly advise Century orally and in writing of any change or event causing, or which, so far as can reasonably be foreseen, would cause:
 - (i) a representation or warranty provided in this Agreement by WAM Leaders (**WAM Leaders Warranty**) to be false in a material respect;
 - (ii) a breach or non-fulfilment of any of the Conditions Precedent; or
 - (iii) a material breach of this Agreement by WAM Leaders or its Representatives.

3.6. ASIC Relief

For the purposes of Clause 3.1(a), the ASIC Relief will be regarded as having been obtained even though a condition has been attached to the ASIC Relief.

4. IMPLEMENTATION

4.1. Century's obligations

Century must take all necessary steps to implement the Transaction as soon as is reasonably practicable, including doing any acts it is authorised and able to do, on behalf of Century Shareholders and including each of the following:

- (a) **Timetable:** use reasonable endeavours to ensure that each step in the Timetable is met by the relevant date set out beside that step (and must consult with WAM Leaders on a regular basis about its progress in that regard), subject to Clauses 3.4 and 9.3. For avoidance of doubt, nothing in this Clause 4.1(a) restricts the ability of Century to respond to an unsolicited Competing Transaction in accordance with Clause 9;
- (b) **preparation of Scheme Booklet:** subject to Clause 4.1(j), prepare and dispatch the Scheme Booklet in accordance with all applicable laws and in particular with the Corporations Act and RG 60. The Scheme Booklet must include a statement:
 - (i) by the Independent Board Committee as required by Clause 4.6(a);
 - (ii) that other than the WAM Leaders Information, the Independent Expert's Report and any section on tax considerations prepared by a Third Party, the Scheme Booklet has been prepared by Century and is the responsibility of Century or, to the extent it relates to the Manager or fees payable to the Manager, by the Manager, and that no WAM Leaders Party assumes any responsibility for the accuracy or completeness of the Scheme Booklet (other than the WAM Leaders Information); and
 - (iii) that the WAM Leaders Information has been provided by WAM Leaders and is the responsibility of WAM Leaders, and that no Century Party assumes any responsibility for the accuracy or completeness of the WAM Leaders Information;
- (c) **section 411(17)(b) statement:** apply to ASIC for the production of:
 - (i) an indication of intent letter stating that it does not intend to appear at Court on the First Court Date; and
 - (ii) a statement under section 411(17)(b) of the Corporations Act stating that ASIC has no objections to the Scheme;
- (d) **Court direction:** apply to the Court for orders directing Century to convene the Scheme Meeting;
- (e) **Scheme Meeting:** convene the Scheme Meeting to agree to the Scheme in accordance with the orders made by the Court pursuant to section 411(1) of the Corporations Act;
- (f) **Management certificate:** at 8.00am on the Second Court Date, give WAM Leaders a certificate signed by 2 Directors on behalf of Century (and solely in their capacity as officers of Century and not in their personal capacity) certifying that the Century Warranties are true and correct in all material respects and that Century has complied with all its obligations under this Agreement in all material respects (or setting out any circumstances in which such matters are not true and correct or where there has been non-compliance);

- (g) **Court approval:** subject to all Conditions Precedent in Clause 3.1 (other than Clause 3.1(c)) being satisfied or waived in accordance with this Agreement, apply to the Court for orders approving the Scheme as agreed to by the Century Shareholders at the Scheme Meeting;
- (h) **lodge copy of Court order:** lodge with ASIC an office copy of the Court orders approving the Scheme as agreed to by the Century Shareholders at the Scheme Meeting no later than one Business Day after the day such office copy is received (or such later date as agreed in writing by Century and WAM Leaders);
- (i) **registration:** subject to the Scheme becoming Effective and WAM Leaders satisfying its obligations under Clause 4.2(k), register all transfers of Century Shares held by Share Scheme Participants to WAM Leaders on or as soon as practicable after the Implementation Date;
- (j) **consultation with WAM Leaders:** consult with WAM Leaders as to the content and presentation of the application to the Court and the Scheme Booklet including:
 - (i) providing to WAM Leaders drafts of the Scheme Booklet for the purpose of enabling WAM Leaders to review and comment on those draft documents;
 - (ii) taking all comments made by WAM Leaders into account in good faith when producing a revised draft of the Scheme Booklet;
 - (iii) providing to WAM Leaders a revised draft of the Scheme Booklet within a reasonable time before the Regulator's Draft is finalised and to enable WAM Leaders to review the Regulator's Draft before its submission; and
 - (iv) obtaining written approval from WAM Leaders for the form and content in which the WAM Leaders Information appears in the Scheme Booklet which must not be unreasonably withheld or delayed;
- (k) **information:** provide all necessary information, or procure that the Registry provides all necessary information, in each case in a form reasonably requested by WAM Leaders, about the Transaction and Century Shareholders to WAM Leaders and its authorised Representatives which WAM Leaders reasonably requires in order to facilitate the provision by, or on behalf of, WAM Leaders of the Scheme Consideration;
- (l) **ASIC review:** keep WAM Leaders informed of any matters raised by ASIC in relation to the Scheme Booklet or the Scheme, and use reasonable endeavours to take into consideration in resolving such matters any issues raised by WAM Leaders;
- (m) **Independent Expert:** promptly appoint the Independent Expert and provide assistance and information reasonably requested by the Independent Expert to enable it to prepare its report for the Scheme Booklet as soon as practicable;
- (n) **payment of tax:** by no later than the Calculation Date, pay or procure the payment in full of the tax liabilities of Century for the 30 June 2018 income tax year and any current taxation due and payable by Century for the 30 June 2019 income tax year;
- (o) **Scheme Participant Notice:** subject to the Scheme becoming Effective, on or before the second Business Day after the Record Date, give WAM Leaders a Scheme Participant Notice;

(p) **delivery of documents:** subject to the Scheme becoming Effective and WAM Leaders satisfying its obligations under Clause 4.2(k), on the Implementation Date, give WAM Leaders:

- (i) a completed master transfer of all of the Scheme Shares executed by Century as attorney for the Scheme Participants;
- (ii) the written resignations and release of Century from any claims by all Directors, secretaries and public officers of Century to be effective on the Implementation Date (provided that nothing in this Clause 4.1(p)(ii) requires any Director to forego any rights they may have under any deed of access and indemnity or policy of insurance); and
- (iii) duly completed authorities for alteration of signatories of Century's bank accounts
- (iv) at the request of WAM Leaders, any forms of proxy required to give effect to clause 4.6 of the Scheme,

and make available to WAM Leaders:

- (v) ledgers, journals and books of account of each member of Century;
- (vi) cheque books of each member of Century and a list of all bank accounts maintained by the members of Century;
- (vii) documents in the possession of Century relating to the ownership and use of the assets and Century's business;

(q) **Directors meeting:** subject to the Scheme becoming Effective , on or before the Implementation Date, the Directors convening and holding a meeting to conduct the following business:

- (i) approval of the registration of WAM Leaders as the holder of all of the Century Shares in the books of Century and direct the making of the requisite entry in the Share Register to effect to the transfer, the cancellation of the existing share certificates issued in respect of the Century Shares (if any) and the issue of new certificates in the name of WAM Leaders;
- (ii) acceptance of the resignation of Century's existing Directors, secretaries and public officers effective on the appointment of the directors, secretaries and public officers referred to in Clause 4.1(q)(iii);
- (iii) appointment of WAM Leaders' nominees as directors, secretaries and public officers of Century;
- (iv) alteration of the registered office of Century to the registered office nominated by WAM Leaders,

with each such resolution being subject to the issue of the Scheme Consideration in accordance with the Scheme;

(r) **representation:** procure that it is represented by counsel at the Court hearings convened for the purposes of section 411(4)(b) of the Corporations Act, at which through its counsel,

Century will undertake (if requested by the Court) to do all such things and take all such steps within its power as are necessary in order to ensure the fulfilment of its obligations under this Agreement and the Scheme; and

- (s) **calculation of Century NTA:** procure that the Century NTA is calculated and delivered to WAM Leaders and the Manager within 5 Business Days of the Calculation Date with sufficient supporting information (including full details of all accounting principles, policies and practices applied in determining the Century NTA) (**Century Data**).

4.2. WAM Leaders' obligations

WAM Leaders must take all necessary steps to implement the Transaction as soon as is reasonably practicable, including doing each of the following:

- (a) **Timetable:** use reasonable endeavours to ensure that each step in the Timetable are met by the date set out beside that step (and consult with Century on a regular basis about its progress in that regard), subject to Clauses 3.4 and 9.3;
- (b) **WAM Leaders Information:** prepare and promptly provide to Century the WAM Leaders Information for inclusion in the Scheme Booklet to comply with all applicable laws and ASIC regulatory guides, and consult with Century as to the content and presentation of the WAM Leaders Information in the Scheme Booklet, such consultation to include allowing Century a reasonable opportunity to review and make comments on successive drafts of the WAM Leaders Information before lodgement of the Regulator's Draft with ASIC;
- (c) **review of Scheme Booklet:** review the drafts of the Scheme Booklet prepared by Century and provide comments, if any, as soon as practicable;
- (d) **confirmation of WAM Leaders Information:** before the Regulator's Draft is provided to ASIC pursuant to section 411(2) of the Corporations Act, either:
 - (i) confirm in writing to Century that the WAM Leaders Information in the form and context in which it appears in the Scheme Booklet is not misleading or deceptive in any material respect and does not contain any material omission; or
 - (ii) provide to Century the changes required to ensure that the WAM Leaders Information in the form and context in which it appears in the Scheme Booklet is not misleading or deceptive in any material respect and does not contain any material omission;
- (e) **Independent Expert's report:** subject to the Independent Expert entering into arrangements with WAM Leaders in relation to confidentiality in a form reasonably acceptable to WAM Leaders, provide any assistance or information reasonably requested by Century or by the Independent Expert in connection with the preparation of the Independent Expert's report to be sent together with the Scheme Booklet;
- (f) **update Bidder Information:** if:
 - (i) at any time after the despatch of the Scheme Booklet, WAM Leaders becomes aware of new information which, were it known at the time of despatch, should have been included in any WAM Leaders Information provided previously to Century; or

- (ii) at any time, WAM Leaders becomes aware that any part of the WAM Leaders Information provided previously to Century is misleading or deceptive in any material respect (whether by omission or otherwise),

it must advise Century so that Century can determine whether supplementary disclosure to Century Shareholders is required;

- (g) **Deed Poll:** on or prior to the First Court Date, enter into a Deed Poll;
- (h) **Management certificate:** at 8.00am on the Second Court Date, give Century a certificate signed by 2 directors on behalf of WAM Leaders (and solely in their capacity as officers of WAM Leaders and not in their personal capacity) certifying that the WAM Leaders Warranties are true and correct in all material respects and that WAM Leaders has complied with all its obligations under this Agreement in all material respects (or setting out any circumstances in which such matters are not true and correct or where there has been non-compliance);
- (i) **Court proceedings:** undertake (if requested by the Court) to do all such things and take all such steps within its power as are necessary in order to ensure the fulfilment of its obligations under this Agreement and the Scheme; and
- (j) **share transfer:** if the Scheme becomes Effective, accept the transfer of the Century Shares as contemplated by the Scheme;
- (k) **Scheme Consideration:** if the Scheme becomes Effective, issue the Scheme Consideration in the manner and amount contemplated by the terms of the Scheme; and
- (l) **calculation of WAM Leaders NTA:** procure that the WAM Leaders NTA is calculated and delivered to Century and the Manager within 5 Business Days of the Calculation Date with sufficient supporting information (including full details of all accounting principles, policies and practices applied in determining the WAM Leaders NTA) (**WAM Leaders Data**).

4.3. Manager certification

Century and WAM Leaders undertake to procure that the Manager, as soon as practicable following receipt of the Century Data and the WAM Leaders Data, certifies in writing that the Century NTA and WAM Leaders NTA are both accurate, have been prepared in accordance with the Listing Rules and the Australian Accounting Standards and have been prepared based on consistent accounting principles, policies and practices.

4.4. Conduct of appeals

If the Court refuses to grant an order convening any required Scheme Meeting or approving the Scheme, then WAM Leaders and Century must consult with each other in good faith as to whether to appeal the Court's decision. If, in the opinion of senior counsel obtained by either party within 5 Business Days of the Court's decision, there are reasonable prospects of successfully appealing the Court's decision then:

- (a) Century must appeal the Court's decision, the cost of which is to be borne equally by Century and WAM Leaders; and

- (b) WAM Leaders and Century must seek to agree in good faith an extension of the End Date by a period of not more than 3 months to account for the period for determination of the appeal on an expedited basis.

4.5. Conduct of business

- (a) From the date of this Agreement up to and including the Implementation Date, Century must conduct its business in the ordinary and proper course of business consistent with past practice, keep WAM Leaders informed of the conduct of business, and make all reasonable efforts to:
 - (i) keep available the services of the Directors and Century's other officers;
 - (ii) maintain and preserve satisfactory relationships with its suppliers and others having business dealings with Century (including using reasonable endeavours to obtain consents from third parties to any change of control provisions in contracts or arrangements to which Century is a party);
 - (iii) not enter into any lines of business or other activities in which Century is not engaged as of the date of this Agreement;
 - (iv) preserve intact its asset and business organisation;
 - (v) not allow any tax payment that is due and payable to remain unpaid; and
 - (vi) manage its working capital in the ordinary course of ordinary business consistent with past practice.
- (b) Nothing in Clause 4.5(a) restrains Century from taking any action permitted by this Agreement or with the prior written consent of WAM Leaders, which consent will not be unreasonably withheld or delayed.
- (c) From the date of this Agreement up to and including the Implementation Date, WAM Leaders must conduct its business in the ordinary and proper course of business consistent with past practice, keep Century informed of the conduct of business, and make all reasonable efforts to:
 - (i) keep available the services of the directors of WAM Leaders;
 - (ii) maintain and preserve satisfactory relationships with its suppliers and others having business dealings with WAM Leaders;
 - (iii) not enter into any lines of business or other activities in which WAM Leaders is not engaged as of the date of this Agreement;
 - (iv) preserve intact its asset and business organisation;
 - (v) not allow any tax payment that is due and payable to remain unpaid; and
 - (vi) manage its working capital in the ordinary course of ordinary business consistent with past practice.

- (d) Nothing in Clause 4.5(c) restrains WAM Leaders from taking any action permitted by this Agreement or with the prior written consent of Century, which consent will not be unreasonably withheld or delayed.
- (e) The Parties must consult with each other in good faith immediately after execution of this Agreement and for the period up to the Implementation Date, to discuss and assist in preparing a transition plan.

4.6. Independent Board Committee recommendation

- (a) Subject to Clause 4.6(b), Century must use its reasonable endeavours to procure that:
 - (i) the Independent Board Committee unanimously recommends in the Scheme Booklet that, in the absence of a Superior Competing Transaction and subject to the Independent Expert concluding or continuing to conclude that the Transaction is in the best interests of Century Shareholders, Century Shareholders vote in favour of the Transaction; and
 - (ii) the Scheme Booklet will include a statement to the effect that each Independent Director will, in the absence of a Superior Competing Transaction and subject to the Independent Expert concluding or continuing to conclude that the Transaction is in the best interests of Century Shareholders, vote (or procure the voting) of all Independent Director Shares in favour of the Scheme at the Scheme Meeting.
- (b) Century must use its reasonable endeavours to procure that the Independent Board Committee collectively, and the Independent Directors of the Century Board individually, do not change, withdraw or modify its, his or her recommendation in the Scheme Booklet that Century Shareholders vote in favour of the Transaction or their statement that they will vote (or procure the voting) of its, his or her Independent Director Shares in favour of the Scheme at the Scheme Meeting or make a recommendation or statement that is inconsistent with such recommendation or statement, unless:
 - (i) the Independent Board Committee or Independent Director has first obtained written legal advice from its legal advisors that a failure by the Independent Board Committee or Independent Director to change, withdraw or modify its, his or her recommendation or statement or make a recommendation or statement that is inconsistent with it would be reasonably likely to constitute a breach of their fiduciary or statutory obligations;
 - (ii) the Independent Expert concludes in the Independent Expert's Report (or any update or variation to that report) that the Scheme is not in the best interests of Century Shareholders, or adversely changes its previously given opinion in the Independent Expert's Report (or any update or variation to that report) that the Scheme is in the best interests of Century Shareholders; or
 - (iii) Century receives a Superior Competing Transaction.
- (c) If the Independent Board Committee proposes to change, withdraw or modify its recommendation or statement in accordance with Clause 4.6(b), or make a recommendation or statement that is inconsistent with such recommendation or statement in accordance with Clause 4.6(b):

- (i) Century must notify WAM Leaders in writing no less than 3 Business Days prior to announcing such change, withdrawal or modification of recommendation or statement, or such inconsistent recommendation or statement, that it intends to do so; and
 - (ii) the Parties must consult in good faith to consider and determine whether the recommendation and statement in place at that time can be maintained.
- (d) If:
- (i) Century notifies WAM Leaders that the Independent Board Committee proposes to change, withdraw or modify its recommendation or statement in accordance with Clause 4.6(b), or make a recommendation or statement that is inconsistent with such recommendation or statement in accordance with Clause 4.6(b);
 - (ii) the reason for doing so is that Century has received an actual Superior Competing Transaction; and
 - (iii) prior to the expiry of the 3 Business Day period referred to in Clause 4.6(c), WAM Leaders proposes to Century, or announces amendments to the Transaction or a new transaction that constitutes a matching or superior proposal to the terms of the actual, proposed or potential Superior Competing Transaction (**WAM Leaders Counterproposal**),

Century must procure that the Independent Board Committee considers the WAM Leaders Counterproposal and if the Independent Board Committee, acting reasonably and in good faith, determines that the WAM Leaders Counterproposal would provide an equivalent or superior outcome for Century Shareholders as a whole compared with the Superior Competing Transaction, then:

- (iv) Century and WAM Leaders must use their best endeavours to agree the amendments to this document and enter into, the transaction documents that are necessary to reflect the WAM Leaders Counterproposal and to implement the WAM Leaders Counterproposal, in each case as soon as reasonably practicable; and
- (v) Century must use its reasonable endeavours to procure that the Independent Board Committee recommends the Transaction (as modified by the WAM Leaders Counterproposal) to Century Shareholders in the absence of a superior proposal.

4.7. Access to information

Between the date of this Agreement and the Implementation Date, Century must, afford to WAM Leaders reasonable access to Century's books and records (subject to any existing confidentiality obligations owed to third parties), premises and personnel at mutually convenient times and afford WAM Leaders reasonable co-operation for the purpose of:

- (a) the Transaction, provided that nothing in this sub-clause will require Century to provide information to WAM Leaders concerning Century's directors and management's consideration of the Transaction;
- (b) WAM Leaders obtaining an understanding of the operations of Century's business, financial position, prospects and affairs in order to allow and facilitate the development and the implementation of the plans of WAM Leaders for those businesses following

implementation of the Transaction (including, for the avoidance of doubt, to formulate the transition plan referred to in Clause 4.5(e)) and the preparation of the financial statements (including for the merged Century-WAM Leaders entity, if any) for inclusion in the Scheme Booklet;

- (c) WAM Leaders contacting Century Shareholders with a view to encouraging their support for the Transaction; and
- (d) any other purpose agreed between the Parties.

4.8. Facilitation

- (a) Where in this Clause 4 an obligation is imposed on Century to undertake any act or to ensure that an act does not occur, Century must, in addition to doing so itself, instruct the Manager to undertake that act or refrain from undertaking that act (as the case requires) where the terms of the Century Management Agreement or any other agreement, arrangement or understanding or course of conduct between the Manager and Century which imposes responsibility for that matter on the Manager.
- (b) Provided that Century complies with Clause 4.8(a), any breach of an obligation imposed on Century under this Clause 4 that is caused by any act that the Manager undertakes or refrains from undertaking will not be considered to be a breach of this Agreement by Century.

5. REPRESENTATIONS AND UNDERTAKINGS

5.1. WAM Leaders' representations

WAM Leaders represents to Century (in its own right and separately as trustee or nominee for each of the other Century Parties) that:

- (a) the WAM Leaders Information provided to Century for inclusion in the Scheme Booklet will be provided in good faith and on the understanding that each of the Century Parties will rely on that information to prepare the Scheme Booklet and to propose and implement the Transaction in accordance with the Corporations Act;
- (b) the WAM Leaders Information provided under Clause 4.2(a) included in the Scheme Booklet, as at the date the Scheme Booklet is dispatched to Century Shareholders, will (to the best of WAM Leaders' knowledge, information and belief, after due enquiry) not contain any statement which is materially misleading or deceptive including by way of material omission from that statement;
- (c) WAM Leaders will, as a continuing obligation, provide to Century all further or new information which it becomes aware of after the Scheme Booklet has been dispatched until the date of the Scheme Meeting which is necessary to ensure that there would be no breach of Clause 5.1(b) if it applied as at the date on which that information arose;
- (d) WAM Leaders is a validly existing corporation registered under the laws of its place of incorporation;
- (e) the execution and delivery of this Agreement has been properly authorised by all necessary corporate action of WAM Leaders;

- (f) WAM Leaders has full corporate power and lawful authority to execute, deliver and perform this Agreement;
- (g) this Agreement does not conflict with or result in the breach of or default under WAM Leaders' constitution or any other agreement or any writ, order or injunction, judgment, law, rule or regulation to which it is party or by which it is bound; and
- (h) its capital structure, including all issued securities, as at the date of this Agreement is as set out in clause 2(d) of the Scheme.

5.2. WAM Leaders' indemnity

WAM Leaders agrees with Century (in its own right and separately as trustee or nominee for each of the other Century Parties) to indemnify the Century Parties against any claim, action, damage, loss, liability, cost, expense or payment of whatever nature and however arising which any of the Century Parties suffers, incurs or is liable for arising out of any breach of any of the representations in Clause 5.1. Century agrees to cause each of the Century Parties to use reasonable endeavours to mitigate any damages or loss that that Century Party may suffer arising out of any breach of any of the representations in Clause 5.1.

5.3. No dividends undertaking

- (a) Century must not declare, pay or distribute any dividend, bonus or other share of its profits or assets by way of dividend, capital reduction or otherwise up to the Implementation Date.
- (b) WAM Leaders must not declare, pay or distribute any dividend, bonus or other share of its profits or assets by way of dividend, capital reduction or otherwise unless the record date for determining the holders of shares that participate in such dividend, capital reduction or other corporate action is after the Implementation Date.

5.4. Century's representations

Century represents to WAM Leaders and its directors and officers (in its own right and separately as trustee or nominee for each of the other WAM Leaders Parties) that:

- (a) no information (other than the WAM Leaders Information, the Independent Expert's Report and any section on tax considerations prepared by a Third Party) contained in the Scheme Booklet, as at the date the Scheme Booklet is dispatched to Century Shareholders, will contain (to the best of Century's knowledge, information and belief, after due enquiry) any statement which is materially misleading or deceptive, including by way of material omission from that statement;
- (b) Century is a validly existing corporation registered under the laws of its place of incorporation;
- (c) the execution and delivery of this Agreement has been properly authorised by all necessary corporate action of Century;
- (d) Century has full corporate power and lawful authority to execute and deliver this Agreement and to perform or cause to be performed its obligations under this Agreement;

- (e) this Agreement does not conflict with or result in the breach of or default under any provision of the Century Constitution or any material term or provision of any agreement or any writ, order or injunction, judgment, law, rule or regulation to which it is party or subject or by which it is bound; and
- (f) its capital structure, including all issued securities, as at the date of this Agreement is as set out in clause 2(b) of the Scheme.

5.5. Century's indemnity

Century agrees with WAM Leaders (in its own right and separately as trustee or nominee for each of the other WAM Leaders Parties) to indemnify WAM Leaders and its directors and officers from any claim, action, damage, loss, liability, cost, expense or payment of whatever nature and however arising which WAM Leaders or any of its directors or officers suffers, incurs or is liable for arising out of any breach of any of the representations in Clause 5.4. WAM Leaders agrees to cause each of the WAM Leaders Parties to use reasonable endeavours to mitigate any damages or loss that that WAM Leaders Party may suffer arising out of any breach of any of the representations in Clause 5.4.

5.6. Repetition of representations

Each of the Century Warranties and the WAM Leaders Warranties is given at the date of this Agreement and at all time up until 8.00 am on the Second Court Date.

5.7. Survival of representations

Each representation and warranty in Clauses 5.1 and 5.4:

- (a) is severable;
- (b) survives the termination of this Agreement; and
- (c) is given with the intention that liability under it is not confined to breaches which are discovered before the date of termination of this Agreement.

5.8. Survival of indemnities

Each indemnity in this Agreement (including those in Clauses 5.2 and 5.5):

- (a) is severable;
- (b) is a continuing obligation;
- (c) constitutes a separate and independent obligation of the Party giving the indemnity from any other obligations of that Party under this Agreement; and
- (d) survives the termination of this Agreement.

6. RELEASES

6.1. Century Parties

- (a) WAM Leaders releases its rights against, and agrees with Century that it will not make a Claim against, any Century Party (other than Century) in connection with:

- (i) any breach of any representation, covenant or warranty of Century in this Agreement;
- (ii) any disclosure made by any Century Party that contains any statement which is false or misleading whether in content or by omission,

except to the extent that the relevant Century Party has not acted in good faith or has engaged in wilful misconduct.

- (b) Clause 6.1(a) is subject to any Corporations Act restriction and will (if and to the extent required) be read down accordingly.
- (c) Century receives and holds the benefit of this Clause 6.1 as agent and trustee on behalf of each other Century Party.

6.2. WAM Leaders Parties

- (a) Century releases its rights against, and agrees with WAM Leaders that it will not make a Claim against, any WAM Leaders Party (other than WAM Leaders) in connection with:
 - (i) any breach of any representation, covenant or warranty of WAM Leaders in this Agreement;
 - (ii) any disclosure made by any WAM Leaders Party that contains any statement which is false or misleading whether in content or by omission,

except to the extent that the relevant WAM Leaders Party has not acted in good faith or has engaged in wilful misconduct.

- (b) Clause 6.2(a) is subject to any Corporations Act restriction and will (if and to the extent required) be read down accordingly.
- (c) WAM Leaders receive and hold the benefit of this Clause 6.2 as agent and trustee on behalf of each other WAM Leaders Party.

6.3. Insurance

Century must, prior to the Implementation Date, enter into arrangements to secure directors and officers run-off insurance for up to 7 years after the Implementation Date, and WAM acknowledges that, notwithstanding any other provision of this Agreement, that any actions to facilitate that insurance or in connection therewith will not be a Century Material Adverse Change, a Century Prescribed Occurrence or a breach any provision of this Agreement.

7. PUBLIC ANNOUNCEMENTS

7.1. Announcement of Transaction

Immediately after the execution of this Agreement, Century and WAM Leaders must issue a public announcement in a form previously agreed in writing between them.

7.2. Other public announcements

Subject to Clauses 7.3 and 7.4, any further public announcement or disclosure of or in relation to the Transaction or any other transaction the subject of this Agreement or the Scheme may only be made with the approval by writing by each Party (each Party acting reasonably and in good faith) to the timing, form and content of that announcement or disclosure. Subject to any applicable law or rules of a relevant stock exchange, the Parties agree to use reasonable endeavours to ensure that all public announcements in relation to the Transaction are made outside the trading hours of ASX.

7.3. Required disclosure

Subject to Clause 7.4, if a Party is required by law or the Listing Rules to make any announcement or disclosure relating to matter the subject of this Agreement, it may do so but must use reasonable endeavours, to the extent practicable and lawful, to consult with the other Party to the fullest extent possible regarding the form and content of the announcement or disclosure.

7.4. Exclusions

The provisions of Clauses 7.2 and 7.3 do not apply to:

- (a) any announcement, document or publication in connection with a Competing Transaction, a Superior Competing Transaction or withdrawal or modification of the Independent Directors' recommendation that Century Shareholders vote in favour of the Scheme at the Scheme Meeting or their statement that they will vote (or procure the voting) of all Century Shares held or controlled by them in favour of the Scheme at the Scheme Meeting (or making of a recommendation or statement that is inconsistent with such recommendation or statement); or
- (b) any disclosure by the Parties of any information concerning this Agreement or the transactions contemplated hereby in connection with any dispute between the Parties regarding this Agreement, the Scheme or the transactions contemplated by this Agreement.

8. CONFIDENTIALITY

8.1. Confidentiality Agreement

Each Party acknowledges and agrees that it continues to be bound by the Confidentiality Agreement in respect of all information received by it from the other Party before or after the date of this Agreement.

8.2. Survival of obligations

The rights and obligations of the Parties under the Confidentiality Agreement survive termination of this Agreement.

9. NO TALK AND NO SHOP OBLIGATIONS

9.1. No talk

Subject to Clause 9.3 and Clause 9.4, during the No Talk Period, Century must not, and must ensure that none of its Representatives:

- (a) directly or indirectly participates in or continues any discussions or negotiations with a Third Party;
- (b) provides or makes available any information to a Third Party (including by way of providing information and access to perform due diligence);
- (c) enters into any agreement, arrangement or understanding with a Third Party; or
- (d) communicates to a Third Party any intention to do any of these things,

in relation to, or which may reasonably be expected to lead to, a Competing Transaction.

9.2. No shop

During the No Shop Period, Century must not, and must ensure that none of its Representatives:

- (a) solicits or invites, directly or indirectly, any Competing Transaction or any enquiries, discussions or proposals which may reasonably be expected to lead to a Competing Transaction; or
- (b) communicates to any person an intention to do any of the things referred to in Clause 9.2(a).

9.3. Limitation to no talk

- (a) Century and its Representatives may undertake any action that would otherwise be prohibited by Clause 9.1 in relation to a bona fide Competing Transaction which was not solicited by it and was not otherwise brought about as a result of any breach by it of its obligations under this Clause 9 if the Independent Board Committee, acting in good faith, determines after having taken advice from its legal advisors and financial advisors, that not undertaking that act would be reasonably likely to involve a breach of the fiduciary or statutory duties owed by any Century director or would otherwise be unlawful and the Competing Transaction is more favourable to Century Shareholders than the Transaction, taking into account all the terms and conditions of the Competing Transaction including whether it is capable of being valued and completed on a timely basis and including having regard to legal, regulatory and financial matters, including any conditions precedent.
- (b) Century must notify WAM Leaders at least 1 Business Day prior to undertaking an act otherwise prohibited by Clause 9.1 in reliance on Clause 9.3(a).

9.4. Exceptions

Nothing in Clause 9.1 prohibits Century from:

- (a) engaging in discussions with the Manager in relation to the Century Management Agreement, including any communication with the Manager or its Related Bodies Corporate and their Representatives, but in each case only to the extent that those discussions do not relate in any way to a Competing Transaction;
- (b) providing information to its Representatives;
- (c) providing information to any Government Agency;

- (d) providing information to its auditors and suppliers acting in that capacity in the ordinary course of business; or
- (e) providing information required to be provided by law, including to satisfy its obligations of disclosure under the Listing Rules or to any Government Agency.

9.5. Notification of approaches

During the No Shop Period, Century must notify WAM Leaders if:

- (a) it, or any of its Representatives:
 - (i) is approached by any Third Party to take any action of a kind referred to in Clause 9.1 or 9.2 including details of the party making the expression of interest, offer or proposal, their terms and any updates to the expression of interest, offer or proposal, to the extent known by Century; or
 - (ii) receives any proposal whether written or otherwise in connection with, or in respect of any exploration or consummation of, a Competing Transaction or a proposed or potential Competing Transaction, whether unsolicited or otherwise, including details of the party making the proposal, the terms of the proposal and any updates to the proposal, to the extent known by Century;

promptly, and in any event with 1 Business Day, after such approach was made or proposal was received; and

- (b) it or any of its Representatives propose to provide any information relating to Century or its business or operations to any person in connection with or for the purposes of a current or future Competing Transaction or any other action in reliance on Clause 9.3, prior to undertaking the relevant act (which acts are only permitted to be undertaken pursuant to Clause 9.3).

9.6. Provision of information

- (a) Prior to providing any information to any Third Party who has proposed a bona fide Competing Transaction, Century must enter into a confidentiality agreement with such Third Party on terms no less favourable to Century than those contained in the Confidentiality Agreement (and containing provisions that expressly permit Century to comply with the terms of Clause 9.5 and this Clause 9.6), a copy of which must be promptly (in all events within 24 hours) provided for information purposes only to WAM Leaders.
- (b) Century must within 1 Business Day provide WAM Leaders with any information or due diligence materials (including responses to requests for further information) provided to any Third Party who is or may be considering a Competing Transaction (other than identical copies of documents that have previously been provided to WAM Leaders).
- (c) Such provision of information of materials under Clause 9.6 is only permitted to be undertaken pursuant to Clause 9.3.

9.7. Compliance with law

- (a) Without limiting Clause 9.3, if it is finally determined by a court, or the Takeovers Panel, that the agreement by Century under this Clause 9 or any part of it:

- (i) constituted, or constitutes, or would constitute, a breach of the fiduciary or statutory duties of the Century Board or the Independent Board Committee; or
- (ii) constituted, or constitutes, or would constitute, unacceptable circumstances within the meaning of the Corporations Act; or
- (iii) was, or is, or would be, unlawful for any other reason,

then, to that extent (and only to that extent) Century will not be obliged to comply with that provision of Clause 9.

- (b) The parties must not make or cause to be made any application to a court or the Takeovers Panel for or in relation to a determination referred to in Clause 9.7(a)(i).

9.8. Warranty and representation

Century represents and warrants to WAM Leaders that, as at the date of this Agreement, no agreement, arrangement or understanding exists with any Third Party in relation to any Competing Transaction.

10. CONDUCT OF COURT PROCEEDINGS

10.1. Conduct of Court Proceedings

- (a) Century and WAM Leaders are entitled to separate representation at all Court proceedings affecting the Transaction.
- (b) This Agreement does not give Century or WAM Leaders any right or power to give undertakings to the Court for or on behalf of the other Party without that Party's consent.
- (c) Century and WAM Leaders must give all undertakings to the Court in all Court proceedings which are reasonably required to obtain Court approval and confirmation of the Scheme as contemplated by this Agreement.

11. TERMINATION

11.1. Termination by either Party

Without prejudice to any other rights of termination under this Agreement, this Agreement may be terminated:

- (a) by either Party by written notice to the other Party at any time before 5.00 pm on the day before the Second Court Date if the other Party is in material breach of any provision of this Agreement taken in the context of the Scheme as a whole (except to the extent that those breaches can be and have been waived in writing by the aggrieved Party), the Party wishing to terminate has given written notice to the other Party setting out the relevant circumstances and stating an intention to terminate, and the relevant circumstances continue to exist 10 Business Days (or any shorter period ending at 5.00pm on the day before the Second Court Date) from the time the notice is given;
- (b) by Century if, at any time before 8am on the Second Court Date, a majority of the members of the Independent Board Committee have changed, withdrawn or modified

their recommendation that Century Shareholders vote in favour of the Scheme at the Scheme Meeting as permitted under Clause 4.6;

- (c) by Century if, at any time before 8am on the Second Court Date, a majority of the Board publicly recommends a Competing Transaction that is a Superior Competing Transaction, and provided that the Competing Transaction was not connected with a breach of Century's obligations in Clause 9;
- (d) by Century if the Independent Expert concludes in the Independent Expert's Report (or any update or variation to that report) that the Scheme is not in the best interests of Century Shareholders, or adversely changes its previously given opinion in the Independent Expert's Report (or any update or variation to that report) that the Scheme is in the best interests of Century Shareholders;
- (e) in accordance with and pursuant to Clause 3.4(b); and
- (f) if agreed to in writing by Century and WAM Leaders.

11.2. Effect of termination

If this Agreement is terminated by either Century or WAM Leaders under Clauses 2 or 11.1, except to the extent that the termination results from a breach by either Party of its obligations under this Agreement, all further obligations of the Parties under this Agreement, other than the provisions of Clauses 5, 6, 8, 12 and 13, will immediately cease to be of further force and effect without further liability of any Party to the other Parties, provided that nothing in this Clause releases any Party from liability for any pre-termination breach of this Agreement.

12. DUTY, GST, COSTS AND EXPENSES

12.1. Costs and expenses

- (a) The Parties agree that all costs associated with the Transaction, including all costs associated with implementing the Transaction (including advisors expenses, legal expenses, counsel fees and fees of the Independent Expert) but excluding for the avoidance of doubt the costs of Century obtaining run-off directors and officers insurance prior to the Implementation Date (which is a separate Century cost to be provisioned for in the calculation of the Century NTA) (**Transaction Costs**) are to be shared in equal proportions by the Parties.
- (b) Subject to clauses 12.1(c), 12.1(d) and 12.1(e) each Party agrees to indemnify the other Party in respect of any cost they incur in excess of 50% of the Transaction Costs subject to the provision of a valid tax invoice in respect of that amount.
- (c) In the event that:
 - (i) a majority of the members of the Independent Board Committee have changed, withdrawn or modified their recommendation given by them in the Scheme Booklet in accordance with Clause 4.6(a)(i);
 - (ii) a majority of the Board publicly recommends a Competing Transaction that is a Superior Competing Transaction;

(iii) a Century Prescribed Occurrence occurs and WAM validly terminates this Agreement in accordance with Clause 3.4(b); or

(iv) WAM validly terminates this Agreement in accordance with Clause 11.1(a),

subject to Clause 12.1(e), Century will be liable for all Transaction Costs and indemnify and hold WAM Leaders harmless with respect to any Transaction Costs incurred by WAM Leaders in relation to implementing the Transaction, except in circumstances where Century is entitled to terminate this Agreement in accordance with Clauses 3.4(b), 11.1(a), 11.1(e) and 11.1(f).

(d) In the event that:

(i) a WAM Leaders Prescribed Occurrence occurs and Century validly terminates this Agreement in accordance with Clause 3.4(b); or

(ii) Century validly terminates this Agreement in accordance with Clause 11.1(a),

subject to Clause 12.1(e), WAM Leaders will be liable for all Transaction Costs and indemnify and hold Century harmless with respect to any Transaction Costs incurred by Century in relation to implementing the Transaction, except in circumstances where WAM Leaders is entitled to terminate this Agreement in accordance with Clauses 3.4(b), 11.1(a), 11.1(e) and 11.1(f).

(e) A Party will not be liable for any Transaction Costs of the other Party, and will not be required to indemnify and hold the other Party harmless with respect to any Transaction Costs incurred by the other Party in relation to implementing the Scheme in excess of \$500,000, to the extent that the aggregate amount of all such Transaction Costs of the other Party exceeds \$500,000.

12.2. Stamp duty

WAM Leaders must:

(a) pay all stamp duties and any fines and penalties with respect to stamp duty in respect of this Agreement or the Transaction or the steps to be taken under this Agreement or the Transaction; and

(b) indemnify Century against any liability arising from failure to comply with Clause 12.2(a).

12.3. GST

(a) Any consideration or amount payable under this Agreement, including any non-monetary consideration (as reduced in accordance with Clause 12.3(e) if required) (**Consideration**) is exclusive of GST.

(b) If GST is or becomes payable on a Supply made under or in connection with this Agreement, an additional amount (**Additional Amount**) is payable by the party providing consideration for the Supply (**Recipient**) equal to the amount of GST payable on that Supply as calculated by the party making the Supply (Supplier) in accordance with the GST Law.

- (c) The Additional Amount payable under Clause 12.3(b) is payable at the same time and in the same manner as the Consideration for the Supply, and the Supplier must provide the Recipient with a Tax Invoice. However, the Additional Amount is only payable on receipt of a valid Tax Invoice.
- (d) If for any reason the amount of GST payable on a Supply (taking into account any Decreasing or Increasing Adjustments in relation to the Supply) varies from the Additional Amount payable by the Recipient under Clause 12.3(b):
 - (i) the Supplier must provide a refund or credit to the Recipient, or the Recipient must pay a further amount to the Supplier, as appropriate;
 - (ii) the refund, credit or further amount (as the case may be) will be calculated by the Supplier in accordance with the GST Law; and
 - (iii) the Supplier must notify the Recipient of the refund, credit or further amount within 14 days after becoming aware of the variation to the amount of GST payable. Any refund or credit must accompany such notification or the Recipient must pay any further amount within 7 days after receiving such notification, as appropriate.
- (e) Despite any other provision in this Agreement:
 - (i) if an amount payable under or in connection with this Agreement (whether by way of reimbursement, indemnity or otherwise) is calculated by reference to an amount incurred by a Party, whether by way of cost, expense, outlay, disbursement or otherwise (**Amount Incurred**), the amount payable must be reduced by the amount of any Input Tax Credit to which that party is entitled in respect of that Amount Incurred; and
 - (ii) no Additional Amount is payable under Clause 12.3(b) in respect of a Supply to which section 84-5 of the GST Law applies.
- (f) Any reference in this clause to an Input Tax Credit to which a party is entitled includes an Input Tax Credit arising from a Creditable Acquisition by that party but to which the Representative Member of a GST Group of which the party is a member is entitled.
- (g) Any term starting with a capital letter that is not defined in this Agreement has the same meaning as the term has in the *A New Tax System (Goods & Services Tax) Act 1999* (Cth).

13. GENERAL

13.1. No representation or reliance

- (a) Each Party acknowledges that no Party (nor any person acting on its behalf) has made any representation or other inducement to it to enter into this Agreement, except for representations or inducements expressly set out in this Agreement.
- (b) Each Party acknowledges and confirms that it does not enter into this Agreement in reliance on any representation or other inducement by or on behalf of any other Party, except for any representation or inducement expressly set out in this Agreement.

- (c) Each Party acknowledges and confirms that Clauses 13.1(a) and 13.1(b) do not prejudice any rights a Party may have in relation to information which has been filed by the other Party with the ASIC or ASX.

13.2. No merger

The rights and obligations of the Parties do not merge on implementation of the Transaction. They survive the execution and delivery of any assignment or other document entered into for the purpose of implementing the Transaction.

13.3. Consents

Any consent referred to in, or required under, this Agreement from any Party may not be unreasonably withheld, unless this Agreement expressly provides for that consent to be given in that Party's absolute discretion.

13.4. Notices

Any communication under or in connection with this Agreement:

- (a) must be in writing;
- (b) must be addressed as shown below:

WAM Leaders

Address: Level 26, Governor Phillip Tower, 1 Farrer Place, Sydney, NSW, 2000
 Fax no: (02) 9247 6855
 Attention: Jesse Hamilton, Chief Financial Officer
 Email: jesse@wilsonassetmanagement.com.au

Century

Address: Level 12, 680 George Street, Sydney, NSW, 2000
 Fax no: (02) 9221 1194
 Attention: Stephen Menzies
 Email: Stephen.Menzies@ashurst.com

(or as otherwise notified by that Party to the other Party from time to time);

- (c) must be signed by the Party making the communication or by a person duly authorised by that Party;
- (d) must be delivered or posted by prepaid post to the address, or sent by fax to the number, or by email to the email address, of the addressee, in accordance with Clause 13.4(b); and
- (e) is regarded as received by the addressee:
 - (i) if sent by prepaid post, on the third Business Day after the date of posting to an address within Australia, and on the fifth Business Day after the date of posting to an address outside Australia;

- (ii) if sent by fax, at the local time (in the place of receipt of that fax) which then equates to the time at which that fax is sent as shown on the transmission report which is produced by the machine from which that fax is sent and which confirms transmission of that fax in its entirety, unless that local time is not a Business Day, or is after 5.00pm on a Business Day, when that communication will be regarded as received at 9.00am on the next Business Day;
- (iii) if delivered by hand, on delivery at the address of the addressee as provided in Clause 13.4(b), unless delivery is not made on a Business Day, or after 5.00pm on a Business Day, when that communication will be regarded as received at 9.00am on the next Business Day; and
- (iv) if sent by email:
 - (A) when the sender receives an automated message confirming delivery; or
 - (B) subject to the email being sent within the hours of 9am and 5pm on a Business Day, 6 hours after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that delivery failed,

whichever happens first.

13.5. Governing law and jurisdiction

- (a) This Agreement is governed by the laws of the State of New South Wales.
- (b) Each Party irrevocably submits to the non-exclusive jurisdiction of the courts of the State of New South Wales and courts competent to hear appeals from those courts.

13.6. Waivers

- (a) Failure to exercise or enforce, a delay in exercising or enforcing, or the partial exercise or enforcement of any right, power or remedy provided by law or under this Agreement by any Party does not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement, of that or any other right, power or remedy provided by law or under this Agreement.
- (b) Any waiver or consent given by any Party under this Agreement is only effective and binding on that Party if it is given or confirmed in writing by that Party.
- (c) No waiver of a breach of any term of this Agreement operates as a waiver of another breach of that term or of a breach of any other term of this Agreement.

13.7. Variation

This Agreement may only be varied by a document signed by or on behalf of each of the Parties.

13.8. Assignment

A Party may not assign, novate or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of the other Party.

13.9. Further action

Each Party will do all things and execute all further documents necessary to give full effect to this Agreement.

13.10. Entire agreement

This Agreement supersedes all previous agreements in respect of its subject matter and embodies the entire agreement between the Parties.

13.11. Counterparts

- (a) This Agreement may be executed in any number of counterparts.
- (b) All counterparts, taken together, constitute one instrument.
- (c) A Party may execute this Agreement by signing any counterpart.
- (d) This Agreement may be executed on the basis of an exchange of facsimile copies or electronic images (such as scanned copies or digital photos), and execution of this Agreement by such means is a valid and sufficient execution.

Schedule 1
Timetable

Event	Date
Announcement	Date of this Agreement
Century provides Regulator's Draft to ASIC	November 2018
First Court Date	December 2018
Printing and despatch of Scheme Booklet	December 2018
Scheme Meeting	January 2018
Second Court Date	January 2018
Effective Date – Lodge Court order approving Scheme with ASIC	January 2018
Record Date	February 2019
Implementation Date	February 2018

Schedule 2
Scheme

Attached.

Share Scheme of Arrangement

Century Australia Investments Limited

(ACN 107 772 761)

Scheme Shareholders



KARDOS • SCANLAN
CORPORATE LAWYERS

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This scheme of arrangement is made under section 411 of the *Corporations Act 2001* (Cth)

PARTIES:

Century Australia Investments Limited (ACN 107 772 761) of Level 12, 680 George Street, Sydney, NSW, 2000 (**Century**);

and

The Scheme Shareholders.

1. DEFINITIONS AND INTERPRETATION

1.1. Definitions

In this Scheme:

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or, as the context requires, the financial market operated by it.

Business Day means a weekday on which trading banks are open for business in Sydney, Australia, excluding any Saturday, Sunday or public holiday.

Calculation Date means:

- (a) if the Second Court Date occurs within 10 Business Days of 31 January 2019, 5:00pm (Sydney time) on 31 January 2019; or
- (b) otherwise, 5:00pm (Sydney time) on the Second Court Date,

or such other time and date as Century and WAM Leaders agree in writing

Century NTA means the NTA of Century as at the Calculation Date as determined in accordance with the Implementation Agreement.

Century Registry means Link Market Services Limited (ACN 083 214 537) of Level 12, 680 George Street, Sydney NSW 2000.

Century Share means a fully paid ordinary share in the capital of Century.

CHES means the Clearing House Electronic Subregister System operated by ASX Settlement Pty Ltd and ASX Clear Pty Limited.

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

Court means the Federal Court of Australia or such other court of competent jurisdiction under the Corporations Act WAM Leaders and Century agree in writing.

Deed Poll means the deed poll to be granted by Century in substantially the form set out in Schedule 3 to the Implementation Agreement or such other form agreed to in writing between the Century and WAM Leaders.

Delivery Time means, in relation to the Second Court Date, the time being 2 hours before commencement of the hearing of the Court on the Second Court Date.

Effective means, when used in relation to the Scheme, the coming into effect, under section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) in relation to the Scheme.

Effective Date means the date on which the Scheme becomes Effective.

End Date means 1 April 2019.

Government Agency means any foreign or Australian government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity, or any minister of the Crown in right of the Commonwealth of Australia or any state.

Implementation Date means the day 5 Business Days after the Scheme Record Date or such other date as Century and WAM Leaders agree in writing.

Implementation Agreement means the scheme implementation agreement dated 13 November 2018 between WAM Leaders and Century relating to the implementation of this Scheme.

Ineligible Foreign Shareholder means a Scheme Shareholder whose address as shown in the Share Register is a place outside Australia and its external territories unless Century and WAM Leaders agree in writing that it is lawful and not unduly onerous or impracticable to issue that Scheme Shareholder with New WAM Leaders Shares when this Scheme becomes Effective.

Listing Rules means the official listing rules of the ASX.

New WAM Leaders Shares means WAM Leaders Shares to be issued pursuant to this Scheme as Scheme Consideration.

NTA means the pre-tax net tangible asset backing of Century or WAM Leaders (as the context requires) per Century Share or WAM Leaders Share (as the case may be) after excluding all current and deferred tax assets and liabilities and calculated on the basis that any amount pertaining to each of Century's and WAM Leader's proportion of the Transaction Costs calculated in accordance with clause 12.1(a) of the Implementation Agreement which remains unpaid as at the Calculation Date is treated as a liability of Century or WAM Leaders (as applicable), calculated in accordance with the Corporations Act, Australian Accounting Standards (including the Australian Accounting Interpretations), the Corporations Regulations and consistent with the requirements of the Listing Rules for an Investment Entity, rounded to the nearest one hundredth of a cent.

Registered Address means, in relation to a Century Shareholder, the address of the Century Shareholder as recorded in the Share Register.

Sale Agent means the agent appointed in relation to the Scheme by WAM Leaders to sell the WAM Leaders Shares that would have otherwise been issued to Ineligible Foreign Shareholders.

Scheme means this scheme of arrangement under Part 5.1 of the Corporations Act between Century and the Scheme Shareholders subject to any alternations or conditions:

(a) agreed to in writing by the WAM Leaders and Century and approved by the Court; or

- (b) made or required by the Court under section 411(6) of the Corporations Act and agreed by WAM Leaders and Century.

Scheme Consideration for each Scheme Share means, subject to clause 5.3, the number of New WAM Leaders Shares determined by dividing the Century NTA by the WAM Leaders NTA.

Scheme Meeting means the meeting of Century Shareholders ordered by the Court to be convened under section 411(1) of the Corporations Act.

Scheme Record Date means 7.00pm on the fifth Business Day after the Effective Date or such other date as agreed in writing by WAM Leaders and Century.

Scheme Share means a Century Share held by a Scheme Shareholder as at the Scheme Record Date.

Scheme Shareholder means each person who is registered in the Share Register as the holder of Century Shares as at the Scheme Record Date.

Scheme Transfer means a duly completed and executed proper instrument of transfer in respect of the Scheme Shares for the purposes of sections 1071B of the Corporations Act, in favour of WAM Leaders as transferee, which may be a master transfer of all or part of the Scheme Shares.

Second Court Date means the first day on which the application made to the Court for an order for the purposes of section 411(4)(b) of the Corporations Act approving the Scheme is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard.

Share Register means the register of members of Century maintained in accordance with the Corporations Act.

WAM Leaders means WAM Leaders Limited (ACN 611 053 751) of Level 26, Governor Phillip Tower, 1 Farrer Place, Sydney, NSW, 2000.

WAM Leaders NTA means the NTA of WAM Leaders as at the Calculation Date as determined in accordance with the Implementation Agreement.

WAM Leaders Share means a fully paid ordinary share in the capital of WAM Leaders.

1.2. Interpretation

In this Scheme, headings and bold type are for convenience only and do not affect interpretation and, unless the context requires otherwise:

- (a) words importing the singular include the plural and vice versa;
- (b) words importing a gender include any gender;
- (c) other parts of speech and grammatical forms of a word or phrase defined in this Scheme have a corresponding meaning;
- (d) a reference to a person includes an individual, the estate of an individual, a corporation, an authority, an association or a joint venture, a partnership, a trust and any Government Agency;

- (e) a reference to a Clause, Party, Attachment or Schedule is a reference to a clause of, and a party, attachment and schedule to this Scheme, and a reference to this Scheme includes any Attachment and Schedule;
- (f) a reference to a statute, regulation, proclamation, ordinance or by-law includes all statutes, regulations, proclamations ordinances or by-laws amending, consolidating or replacing it, whether passed by the same or another Government Agency with legal power to do so, and a reference to a statute includes all regulations, proclamations, ordinances and by laws issued under that statute;
- (g) a reference to any document (including this Scheme) is to that document as varied, novated, ratified or replaced from time to time;
- (h) the word **includes** in any form is not a word of limitation;
- (i) a reference to **\$** or **dollar** is to Australian currency;
- (j) a reference to any time, unless otherwise indicated, is a reference to the time in Sydney, Australia;
- (k) a term defined in or for the purposes of the Corporations Act has the same meaning when used in this Scheme; and
- (l) a reference to the Listing Rules includes any variation, consolidation or replacement of these rules and is to be taken to be subject to any waiver or exemption granted to the compliance of those rules by a Party.

1.3. Business Day

Where the day on or day by which any thing is to be done is not a Business Day, that thing must be done on or by the next Business Day.

2. PRELIMINARY MATTERS

- (a) Century is a public company limited by shares incorporated in Australia and registered in Victoria, Australia, and has been admitted to the official list of the ASX. Century Shares are quoted for trading on the ASX.
- (b) As at the Second Court Date **[insert]** Century Shares were on issue.
- (c) WAM Leaders is a public company limited by shares incorporated in Australia and registered in Victoria, Australia, and has been admitted to the official list of the ASX. WAM Leaders Shares quoted for trading on the ASX.
- (d) As at the Second Court Date **[insert]** WAM Leaders Shares were on issue.
- (e) If this Scheme becomes Effective, in consideration of the transfer of the Scheme Shares, WAM Leaders will provide or procure the provision of the Scheme Consideration to the Scheme Shareholders in accordance with the terms of this Scheme and the Deed Poll.
- (f) Century and WAM Leaders have agreed by executing the Implementation Agreement to Implement the Scheme.

- (g) This Scheme attributes actions to WAM Leaders but does not itself impose an obligation on them to perform those actions. WAM Leaders has agreed, by executing the Deed Poll, to perform the actions attributed to it under this Scheme, including the providing or procuring the provision of the Scheme Consideration to the Scheme Shareholders.

3. CONDITIONS

3.1. Conditions Precedent

This Scheme is conditional on, and will have no force or effect until, the satisfaction of each of the following conditions precedent:

- (a) all the conditions precedent in clause 3.1 of the Implementation Agreement (other than the condition precedent in clause 3.1(c) of the Implementation Agreement relating to Court approval of this Scheme) having been satisfied or waived in accordance with the terms of the Implementation Agreement by the Delivery Time;
- (b) neither the Implementation Agreement or the Deed Poll having been terminated in accordance with their terms before the Delivery Time;
- (c) approval of this Scheme by the Court under section 411(4)(b) of the Corporations Act, including with any alterations made or required by the Court under section 411(6) of the Corporations Act and agreed to by WAM Leaders and Century;
- (d) such other conditions made or required by the Court under section 411(6) of the Corporations Act in relation to this Scheme and agreed to by WAM Leaders and Century; and
- (e) the orders of the Court made under section 411(4)(b) (and, if applicable, section 411(6)) of the Corporations Act approving this Scheme coming into effect, pursuant to section 411(10) of the Corporations Act, on or before the End Date (or any later date WAM Leaders and Century agree).

3.2. Certificate

- (a) Century and WAM Leaders will provide to the Court on the Second Court Date a certificate, or such other evidence as the Court requests, confirming (in respect of matters within their knowledge) whether or not all of the conditions precedent in clauses 3.1(a) and 3.1(b) have been satisfied or waived.
- (b) The certificate referred to in clause 3.2(a) constitutes conclusive evidence that such conditions precedent are satisfied, waived or taken to be waived.

4. IMPLEMENTATION OF THIS SCHEME

4.1. Lodgement of Court orders with ASIC

Century will lodge with ASIC, in accordance with section 411(10) of the Corporations Act, an office copy of the Court order approving this Scheme as soon as possible and in any event by 5.00pm on the first Business Day after the day on which the Court approves this Scheme or such later time as Century and WAM Leaders agree in writing.

4.2. Transfer of Scheme Shares

On the Implementation Date, subject to the provision of the Scheme Consideration in the manner contemplated by clause 5:

- (a) the Scheme Shares, together with all the rights and entitlements attaching to the Scheme Shares as at the Implementation Date, will be transferred to WAM Leaders, without the need for any further act by any Scheme Shareholder (other than acts performed by Century as attorney and agent for Scheme Shareholders under clause 9.5), by:
 - (i) Century delivering to WAM Leaders a duly completed Scheme Transfer, executed on behalf of the Scheme Shareholders by Century, for registration; and
 - (ii) WAM Leaders duly executing the Scheme Transfer, attending to the stamping of the Scheme Transfer (if required) and delivering it to Century for registration; and
- (b) as soon as practicable following receipt of the Scheme Transfer in accordance with clause 4.2(a)(ii) Century must enter, or procure the entry of, the name of WAM Leaders in the Share Register in respect of all the Scheme Shares.

4.3. Entitlement to Scheme Consideration

On the Implementation Date, in consideration for the transfer to WAM Leaders of the Scheme Shares, each Scheme Shareholder will be entitled to receive the Scheme Consideration in respect of each of their Scheme Shares in accordance with clause 5 of this Scheme.

5. SCHEME CONSIDERATION

5.1. Provision of Scheme Consideration

- (a) Subject to clause 5.2, on the Implementation Date, WAM Leaders must:
 - (i) issue to each Scheme Shareholder the Scheme Consideration as consideration for the transfer to WAM Leaders of each Scheme Share; and
 - (ii) apply for quotation on ASX of the New WAM Leaders Shares issued to Scheme Shareholders.
- (b) Subject to clause 5.2, the obligation of WAM Leaders to provide New WAM Leaders Shares pursuant to clause 5.1(a) will be satisfied by WAM Leaders as follows:
 - (i) on the Implementation Date, entering the name and Registered Address (as at the Scheme Record Date) of each Scheme Shareholder on the register of members of WAM Leaders as the holder of the New WAM Leaders Shares which that Scheme Shareholder is entitled to receive under this Scheme; and
 - (ii) within 5 Business Days of the Implementation Date, dispatching a holding statement in respect of the requisite number of New WAM Leaders Shares issued to each Scheme Shareholder in the name of each Scheme Shareholder by prepaid post to their Registered Address (as at the Scheme Record Date).

5.2. Ineligible Foreign Shareholders

- (a) WAM Leaders will be under no obligation to issue any New WAM Leaders Shares to any Ineligible Foreign Shareholder as Scheme Consideration, and instead:

- (i) WAM Leaders must issue the New WAM Leaders Shares to which all such Ineligible Foreign Shareholders would otherwise have become entitled under this Scheme to the Sale Agent;
- (ii) WAM Leaders must procure that, as soon as reasonably practicable and in any event not more than 20 Business Days after the Implementation Date, the Sale Agent sells on the ASX all of the New WAM Leaders Shares issued to the Sale Agent and pays to Century the net proceeds of sale received after deducting any applicable brokerage, stamp duty and other costs, taxes and charges); and
- (iii) Century must pay, or procure the payment of, to each Ineligible Shareholder the amount “A” calculated in accordance with the following formula and rounded down to the nearest cent:

$$A = (B \div C) \times D$$

Where:

- B = the number of New WAM Leaders Shares that would have been issued to that Ineligible Foreign Shareholder had it not been an Ineligible Foreign Shareholder; and
- C = the total number of New WAM Leaders Shares which would otherwise have been issued to all Ineligible Foreign shareholders and which are issued to the Sale Agent; and
- D = the net proceeds of sale of those New WAM Leaders Shares (as set out in clause 5.2(a)(ii)).

- (b) The obligation of Century to pay, or procure the payment of amounts in accordance with clause 5.2(a)(iii) will be satisfied by Century:

- (i) where a Scheme Shareholder has, before the Record Date, made an election in accordance with the requirements of the Share Register to receive dividend payments from Century by electronic funds transfer to a bank account nominated by the Scheme Shareholder, paying, or procuring the payment of, the relevant amount in Australian currency by electronic means in accordance with that election; or
- (ii) whether or not a Scheme Shareholder has made an election referred to in clause 5.2(b)(i), dispatching, or procuring the dispatch of, a cheque drawn on an Australian bank in Australian currency for the relevant amount to the Scheme Shareholder by pre-paid ordinary post (or, if the address of the Scheme Shareholder in the Share Register is outside Australia, by pre-paid airmail post) to their Registered Address at the Record Date, such cheque being drawn in the name of the Scheme Shareholder (or in the case of joint holders, in accordance with clause 5.4(b)).

- (c) Payment to an Ineligible Foreign Shareholder in accordance with this clause 5.2 satisfies in full the Ineligible Foreign Shareholder's right to Scheme Consideration.
- (d) Century may cancel a cheque issued under clause 5.2 if the cheque:
 - (i) is returned to Century; or
 - (ii) has not been presented for payment within 6 months after the date on which the cheque was sent.
- (e) During the period of one year commencing on the Implementation Date, on request from a Scheme Shareholder (which request may not be made until the date which is 5 Business Days after the Implementation Date), Century must reissue a cheque that was previously cancelled under clause 5.2(d).
- (f) Century must maintain appropriate records of all payments made in accordance with this clause 5.2, including (amongst other things) the amounts paid (including the method of payment in accordance with clause 5.2(b)), the persons paid and any cancelled cheques pursuant to this clause 5.2.
- (g) The *Unclaimed Money Act* 1995 (NSW) will apply in relation to any Scheme Consideration which becomes "unclaimed money" (as defined in section 7 of the *Unclaimed Money Act* 1995 (NSW)).
- (h) Any interest or other benefit accruing from unclaimed Scheme Consideration will be to the benefit of WAM Leaders.
- (i) In the case of notice having been given to Century (or the Share Registry) of an order or direction made by a court of competent jurisdiction or by a Government Agency:
 - (i) which requires payment to a third party of a sum in respect of Scheme Shares held by a particular Scheme Shareholder, which would otherwise be payable to that Scheme Shareholder in accordance with clause 5.2, then Century shall procure that payment is made in accordance with that order; or
 - (ii) which would prevent Century from dispatching payment to any particular Scheme Shareholder in accordance with clause 5.2 of this Scheme, or such payment is otherwise prohibited by applicable law, Century will be entitled to retain an amount, in Australian dollars, equal to the number of Scheme Shares held by that Scheme Shareholder multiplied by the Scheme Consideration until such time as payment in accordance with clause 5.2 of this Scheme is permitted by law.
- (j) None of Century, WAM Leaders or the Sale Agent gives any assurance as to the price that will be achieved for the sale of New WAM Leaders Shares described in clause 5.2.
- (k) Each Ineligible Foreign Shareholder appoints Century as its agent to receive on its behalf any financial services guide or other notices which may be given by the Sale Agent to that Ineligible Foreign Shareholder.

5.3. Rounding of fractional entitlements and splitting

- (a) If the number of Scheme Shares held by a Scheme Shareholder is such that an entitlement of that Scheme Shareholder to New WAM Leaders Shares is not a whole number, then any

fractional entitlement to New WAM Leaders Shares will be rounded to the nearest whole number of WAM Leaders Shares.

- (b) If WAM Leaders is of the opinion, formed reasonably, that several Scheme Shareholders, each of which holds a holding of Century Shares which results in a fractional entitlement to WAM Leaders Shares, have, before the Scheme Record Date, been party to a shareholding splitting or division in an attempt to obtain an advantage by reference to the rounding provided for in the calculation of each Scheme Shareholder's entitlement to the Scheme Consideration, WAM Leaders may direct Century to give notice to those Scheme Shareholders:
 - (i) setting out the names and Registered Address of all of them;
 - (ii) stating that opinion; and
 - (iii) attributing to one of them specifically identified in the notice the Century Shares held by all of them,

and, after the notice have been so given, the Scheme Shareholder specifically identified in the notice shall, for the purposes of this Scheme, be taken to hold all those Century Shares and each of the other Scheme Shareholders whose names set out in the notice shall, for the purposes of this Scheme, be taken to hold no Century Shares.

5.4. Joint holders

In the case of Scheme Shares held in joint names:

- (a) any New WAM Leaders Shares must be issued to and registered in the name of the joint holders and the holding statement in respect of the requisite number of New WAM Leaders Shares must be sent to the holder whose name appears first in the Share Register as at the Scheme Record Date; and
- (b) any bank cheque required to be paid to Ineligible Foreign Shareholders by or on behalf of Century in accordance with clause 5.2(b) must be payable to the joint holders and be forwarded to the holder whose name appears first in the Share Register as at the Scheme Record Date.

6. ISSUE OF WAM LEADERS SHARES

6.1. Issue

- (a) Upon issue, the New WAM Leaders Shares will be duly and validly issued in accordance with all applicable laws.
- (b) Each Scheme Shareholder agrees to become a member of WAM Leaders and agrees to be bound by the WAM Leaders constitution as in force from time to time.
- (c) Each Scheme Shareholder will be deemed to have irrevocably appointed WAM Leaders and each of its directors and officers (jointly and severally) as its attorneys for the purpose of executing any form of application required for the WAM Leaders Shares.
- (d) Upon issue:

- (i) the New WAM Leaders Shares will rank equally with all existing WAM Leaders Shares; and
- (ii) each New WAM Leaders Shares will be fully paid and free from any mortgage, charge, lien, encumbrance or other security interest.

7. DEALING IN CENTURY SHARES

7.1. Determination of Scheme Shareholders

To establish the identity of the Scheme Shareholders, dealings in Century Shares or other alterations to the Share Register will only be recognised if:

- (a) in the case of dealings of the type to be effected using CHESS, the transferee is registered in the Share Register as the holder of the relevant Century Share on or before the Scheme Record Date; and
- (b) in all other cases, registerable transfer or transmission applications in respect of those dealings, or valid requests in respect of other alterations, are received on or before the Scheme Record Date at the place where the Share Register is kept,

and Century will not accept for registration, nor recognise for any purpose any transfer or transmission application or other request received after such times, or received prior to such times but not in registrable or actionable form, as appropriate, except a transfer to WAM Leaders pursuant to this Scheme and any subsequent transfer by WAM Leaders.

7.2. Register

- (a) Century must register registerable transmission applications or transfers of the Century Shares in accordance with clause 7.1(b) on or before the Scheme Record Date provided that, for the avoidance of doubt, nothing in this clause 7.2(a) requires Century to register a transfer that would result in a Century Shareholder holding a parcel of Century Shares that is less than a 'marketable parcel' (for the purposes of this clause 7.2(a) 'marketable parcel' has the meaning given in the ASX Settlement Operating Rules).
- (b) If this Scheme becomes Effective, a holder of Scheme Shares (and any person claiming through that holder) must not dispose of or purport to agree to dispose of, any Scheme Shares or any interest in them after the Scheme Record Date otherwise than pursuant to this Scheme, and any attempt to do so will have no effect and Century shall be entitled to disregard any such disposal.
- (c) For the purpose of determining entitlements to the Scheme Consideration, Century must maintain the Share Register in accordance with the provision of this clause 7.2 until the Scheme Consideration has been paid to the Scheme Shareholders. The Share Register in this form will solely determine entitlements to the Scheme Consideration.
- (d) Subject to the provision of the Scheme Consideration and registration of the transfer to WAM Leaders contemplated in clauses 4.2 and 5.1, all statements of holding for Century Shares will cease to have effect after the Scheme Record Date as document of title in respect of those shares and, as from the Scheme Record Date, each entry current as at the Scheme Record Date on the Share Register will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the Century Share relating to that entry.

- (e) As soon as possible on or after the Scheme Record Date, and in any event within one Business Day after the Scheme Record Date, Century will ensure that a copy of the Share Register as at the Scheme Record Date, including details of the names, Registered Addresses and holdings of Scheme Shares for each Scheme Shareholder as shown in the Share Register, is available to WAM Leaders in the form WAM Leaders reasonably requires.

8. QUOTATION OF CENTURY SHARES

- (a) Century will apply to the ASX to suspend trading on the ASX of Century Shares with effect from the close of trading on the Effective Date.
- (b) On a date after the Implementation Date to be determined by WAM Leaders, Century will apply:
 - (i) for termination of the official quotation of Century Shares on the ASX; and
 - (ii) to have itself removed from the official list of the ASX.

9. GENERAL SCHEME PROVISIONS

9.1. Consent to amendments to this Scheme

If the Court proposes to approve this Scheme subject to any alterations or conditions:

- (a) Century may by its counsel consent on behalf of all persons concerned to those alterations or conditions to which WAM Leaders has consented; and
- (b) each Scheme Shareholder agrees to any such alterations or conditions which counsel for Century has consented to and to which WAM Leaders has agreed to.

9.2. Scheme Shareholders' agreement and warranties

- (a) Each Scheme Shareholder:
 - (i) agrees to the transfer of their Scheme Shares together with all rights and entitlements attaching to those Scheme Shares in accordance with this Scheme; and
 - (ii) agrees and acknowledges that this Scheme binds Century and all Scheme Shareholders (including those who do not attend the Scheme Meeting or those who do not vote, or vote against this Scheme, at the Scheme Meeting).
- (b) Each Scheme Shareholder is taken to have warranted to Century and WAM Leaders, and appointed and authorised Century as its attorney and agent to warrant to WAM Leaders, that:
 - (i) all their Scheme Shares (including any rights and entitlements attaching to those shares) which are transferred under this Scheme will, at the date of transfer, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind, whether legal or equitable;

- (ii) they have no existing right to be issued any Century Shares, securities convertible into Century Shares or which carry a right to be issued or transferred any Century Shares, any convertible notes issued by Century or any other Century securities; and
- (iii) they have full power and capacity to sell and transfer their Scheme Shares to WAM Leaders together with any rights attaching to those shares under the Scheme.

9.3. Title to and rights in Scheme Shares

- (a) To the extent permitted by law, the Scheme Shares (including all rights and entitlements attaching to the Scheme Shares) transferred under this Scheme to WAM Leaders will, at the time of transfer of them to WAM Leaders, vest in WAM Leaders free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind, whether legal or otherwise and free from any restrictions on transfer of any kind.
- (b) Subject to the provision of the Scheme Consideration to each Scheme Shareholder in the manner contemplated by clause 5, on and from the Implementation Date WAM Leaders will be beneficially entitled to the Scheme Shares to be transferred to it under this Scheme pending registration by Century of WAM Leaders in the Share Register as the holder of the Scheme Shares.

9.4. Appointment of sole proxy

Subject to the provision of the Scheme Consideration to each Scheme Shareholder in the manner contemplated by clause 5, on and from the Implementation Date and until WAM Leaders is registered as the holder of the Scheme Shares in the Share Register, each Scheme Shareholder:

- (a) is deemed to have appointed WAM Leaders as attorney and agent (and directed WAM Leaders in such capacity) to appoint any director, officer, secretary or agent nominated by WAM Leaders as its sole proxy and, where applicable or appropriate, corporate representative to attend shareholders' meetings, exercise the votes attaching to the Scheme Shares registered in their name and sign any shareholders' resolution;
- (b) may not itself attend or vote at any of those meetings or sign any resolutions, whether in person, by proxy or by corporate representative (other than pursuant to clause 9.4(a));
- (c) must take all other actions in the capacity of a registered holder of Scheme Shares as WAM Leaders reasonably directs; and
- (d) acknowledges and agrees that in exercising the powers referred to in clause 9.4(a), WAM Leaders and any director, officer, secretary or agent nominated by WAM Leaders under clause 9.4(a) may act in the best interests of WAM Leaders as intended registered holder of the Scheme Shares.

9.5. Authority given to Century

Each Scheme Shareholder, without the need for any further act:

- (a) on the Scheme becoming Effective, irrevocably appoints Century and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent for the purpose of enforcing the Deed Poll against WAM Leaders and Century undertakes in favour of

each Scheme Shareholder that it will enforce the Deed Poll against WAM Leaders on behalf of and as agent and attorney for Scheme Shareholders; and

- (b) on the Scheme becoming Effective, irrevocably appoints Century and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent for the purpose of executing any document or doing or taking any other act, necessary, desirable or expedient to give effect to this Scheme and the transactions contemplated by it, including (without limitation) executing the Scheme Transfer,

and Century accepts each such appointment. Century as attorney and agent of each Scheme Shareholder, may sub-delegate its functions, authorities or powers under this clause 9.5 to all or any of its directors, officers or employees (jointly, severally or jointly and severally).

9.6. Binding effect of Scheme

This Scheme binds century and all of the Scheme Shareholders (including those who did not attending the meeting of Century Shareholders to vote on this Scheme, did not vote at that meeting, or voted against this Scheme at that meeting) and, to the extent of any inconsistency, overrides the constitution of Century.

10. GENERAL

10.1. Duty

WAM Leaders must:

- (a) pay all duties and any fines and penalties with respect to duty in respect of this Scheme and the Deed Poll, the performance of the Deed Poll and each transaction effected by or made under or in connection with this scheme and the Deed Poll; and
- (b) indemnify each Scheme Shareholder against any liability arising from failure to comply with clause 10.1(a).

10.2. Counsel

Each of the Scheme Shareholders consents to Century doing all things necessary or incidental to the implementation of this Scheme.

10.3. Notices

- (a) If a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to Century, it will not be taken to be received in the ordinary course of post or on a date and time other than the date and time (if any) on which it is actually received at Century's registered office or at the office of the Century Registry.
- (b) The accidental omission to give notice of the Scheme Meeting or the non-receipt of such notice by a Century Shareholder will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

10.4. Governing law and jurisdiction

- (a) This Scheme is governed by the laws in force in the State of New South Wales.

- (b) Each Party irrevocably submits to the non-exclusive jurisdiction of the courts of the State of New South Wales and courts competent to hear appeals from those courts.

10.5. Further action

Century must do all things and execute all further documents necessary or expedient to give full effect to this Scheme and the transactions contemplated by it.

10.6. No liability when acting in good faith

Neither Century or WAM Leaders nor any director, officer or secretary of Century or WAM Leaders will be liable for anything done or omitted to be done in the performance of this Scheme or the Deed Poll in good faith.

Schedule 3
Deed Poll

Attached.

Deed Poll

WAM Leaders Limited

(ACN 611 053 751)



KARDOS • SCANLAN

CORPORATE LAWYERS

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Deed made as a deed poll on

17 Decembe

2018

Made By

WAM Leaders Limited (ACN 611 053 751) of Level 26, Governor Phillip Tower, 1 Farrer Place, Sydney, NSW 2000 (**WAM Leaders**),

in favour of each person registered as a holder of one or more Scheme Shares (**Scheme Shareholders**).

Recitals:

- A. Century and WAM Leaders entered into the Implementation Agreement.
- B. In the Implementation Agreement, WAM Leaders agreed to enter into this deed poll.
- C. WAM Leaders is entering into this deed poll for the purpose of covenanting in favour of the Scheme Shareholders to perform its obligations under the Scheme.
- D. The effect of the Scheme will be that the Scheme Shares, together with all rights and entitlements attached to them, will be transferred to WAM Leaders in exchange for the Scheme Consideration.

1. DEFINITIONS AND INTERPRETATION

1.1. Definitions

In this deed poll:

First Court Date means the first day on which an application made to the Court for an order under section 411(1) of the Corporations Act directing Century to convene the Scheme Meeting to consider the Scheme is heard (or if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard).

Implementation Date means the day 5 Business Days after the Scheme Record Date or such other date as Century and WAM Leaders agree in writing.

Scheme means this scheme of arrangement under Part 5.1 of the Corporations Act between Century and the Scheme Shareholders subject to any alternations or conditions:

- (a) agreed to in writing by the WAM Leaders and Century and approved by the Court; or
- (b) made or required by the Court under section 411(6) of the Corporations Act and agreed by WAM Leaders and Century.

Unless the context otherwise requires, terms defined in the Scheme have the meaning when used in this deed poll.

1.2. Interpretation

Clause 1.2 and 1.3 of the Scheme apply to the interpretation of this deed poll, except that references to 'this Scheme' in those clauses are to be read as references to 'this deed poll'.

1.3. Nature of deed poll

WAM Leaders acknowledges that:

- (a) this deed poll may be relied on and enforced by any Scheme Shareholder in accordance with its terms even though the Scheme Shareholders are not party to it; and
- (b) under the Scheme, each Scheme Shareholder irrevocably appoints Century and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent for the purpose of enforcing this deed poll against WAM Leaders.

2. CONDITIONS TO OBLIGATIONS

2.1. Conditions

This deed poll and the obligations of WAM Leaders under this deed poll are subject to the Scheme becoming effective.

2.2. Termination

This deed poll and the obligations of WAM Leaders under this deed poll will automatically terminate and this deed poll will be of no force or effect if:

- (a) the Implementation Agreement is terminated in accordance with its terms; or
- (b) the Scheme is not Effective by the End Date or any later date as the Court, with the consent of Century and WAM Leaders, may order.

2.3. Consequences of termination

If this deed poll is terminated under clause 2.2, in addition and without prejudice to any other rights, powers or remedies available to Scheme Shareholders:

- (a) WAM Leaders is released from its obligations to further perform this deed poll except those obligations contained in clause 7.1 and any other obligations which by their nature survive termination; and
- (b) each Scheme Shareholder retains the rights, powers or remedies they have against WAM Leaders in respect of any breach of this deed poll which occurred before it was terminated.

3. PERFORMANCE OF OBLIGATIONS GENERALLY

WAM Leaders must comply with its obligations under the Implementation Agreement and do all acts and things necessary or desirable on its part under the Implementation Agreement to give full effect to the Scheme.

4. SCHEME OBLIGATIONS

4.1. Undertaking to pay Scheme Consideration

Subject to clause 2, WAM Leaders undertakes in favour of each Scheme Shareholder to:

- (a) provide the Scheme Consideration to each Scheme Shareholder in accordance with the terms of the Scheme; and

- (b) undertake all other actions attributed to it under the Scheme,

subject to and in accordance with the provisions of the Scheme.

5. WARRANTIES

WAM Leaders represents and warrants that:

- (a) it is a corporation validly existing under the law of its place of registration;
- (b) it has the corporate power to enter into and perform its obligations under this deed poll and to carry out the transactions contemplated by this deed poll;
- (c) it has taken all necessary corporate action to authorise its entry into this deed poll and has taken or will take all necessary corporate action to authorise the performance of this deed poll and carry out the transactions contemplated by this deed poll;
- (d) this deed poll is valid and binding on it and enforceable against it in accordance with the terms of this deed poll;
- (e) this deed poll does not conflict with, or result in the breach of or default under, any provision of its constitution, or any writ, order or injunction, judgment, law, rule or regulation to which it is a party or subject or by which it is bound; and
- (f) it is solvent and no resolutions have been passed nor has any other step been taken or legal action or proceedings commenced or threatened against it for its winding up or dissolution or for the appointment of a liquidator, receiver, administrator or similar officer over any or all of its assets.

6. CONTINUING OBLIGATIONS

This deed poll is irrevocable and, subject to clause 2, remains in full force and effect until:

- (a) WAM Leaders has fully performed its obligations under this deed poll; or
- (b) the earlier termination of this deed poll under clause 2.2.

7. NOTICES

7.1. Form of notice

Any communication to WAM Leaders under or in connection with this deed poll:

- (a) must be in writing;
- (b) must be addressed as shown below:

Address:	Level 26, Governor Phillip Tower, 1 Farrer Place, Sydney, NSW, 2000
Fax no:	(02) 9247 6855
Attention:	Jesse Hamilton, Chief Financial Officer

- (c) must be signed by the party making the communication or by a person duly authorised by that party;
- (d) must be delivered by hand or posted by prepaid post to the address, or sent by fax to the number, of WAM Leaders, in accordance with clause 7.1(b), or given in any other way permitted by law; and
- (e) is regarded as received by WAM Leaders:
 - (i) if sent by prepaid post, on the third Business Day after the date of posting (if posted to an address in the same country), and on the fifth Business Day after the date of posting (if posted to an address in a different country); and
 - (ii) if sent by fax, at the local time (in the place of receipt of that fax) which then equates to the time at which that fax is sent as shown on the transmission report which is produced by the machine from which that fax is sent and which confirms transmission of that fax in its entirety, unless that local time is not a Business Day, or is after 5.00pm on a Business Day, when that communication will be regarded as received at 9.00am on the next Business Day; and

if delivered by hand, on delivery at the address of the addressee as provided in clause 7.1(b), unless delivery is not made on a Business Day, or after 5.00pm on a Business Day, when that communication will be regarded as received at 9.00am on the next Business Day.

8. GENERAL

8.1. Duty

WAM Leaders must:

- (a) pay all duties, registration fees and similar taxes and any fines and penalties with respect to duty, registration fees and similar taxes in respect of this Scheme and the deed poll, the performance of the Scheme and this deed poll and each transaction effected by or made under or in connection with the Scheme and this deed poll; and
- (b) indemnify each Scheme Shareholder against any liability arising from failure to comply with clause 7.1(a).

8.2. Governing law and jurisdiction

- (a) This Agreement is governed by the laws in force in the State of New South Wales.
- (b) Each Party irrevocably submits to the non-exclusive jurisdiction of the courts of the State of New South Wales and courts competent to hear appeals from those courts.

8.3. Waiver

- (a) WAM Leaders may not rely on the words or conduct of any Scheme Shareholder as a waiver of any right unless the waiver is in writing and signed by the Scheme Shareholder granting the waiver.
- (b) No Scheme Shareholder may rely on words or conduct of WAM Leaders as a waiver of any right unless the waiver is in writing and signed by WAM Leaders.

- (c) The meanings of the terms used in this clause 8.3 are set out below:

conduct includes delay in the exercising of a right;

right means any right arising under or in connection with this deed and includes the right to rely on this clause; and

waiver includes an election between rights and remedies, and conduct which might otherwise give rise to an estoppel.

8.4. Variation

A provision of this deed poll may not be varied unless:

- (a) if before the Second Court Date, the variation is agreed to by Century; or
- (b) if on or after the Second Court Date, the variation is agreed to by Century and is approved by the Court,

in which event WAM Leaders will enter into a further deed poll in favour of the Scheme Shareholders given effect to the variation.

8.5. Cumulative rights

The rights created by this deed poll are personal to WAM Leaders and each Scheme Shareholder under this deed poll and cumulative with, and do not exclude, any other rights, powers or remedies provided by law independently of this deed poll.

8.6. Assignment

- (a) The rights created by this deed poll are personal to WAM Leaders and each Scheme Shareholder and must not be dealt with at law or equity without the prior written consent of WAM Leaders.
- (b) Any purported dealing in contravention of clause 7.6(a) is invalid.

8.7. Further action

WAM Leaders must do all things and execute all further documents necessary or expedient to give full effect to this Scheme and the transactions contemplated by it.

Executed as a deed poll:

EXECUTED by)
WAM Leaders Limited)
(ACN 611 053 751) in accordance with section)
127 of the Corporations Act:)



Director/Secretary

LINDA VO

Name (please print)



Director

MELINDA SNOWDEN

Name (please print)

Executed by the Parties as an Agreement:

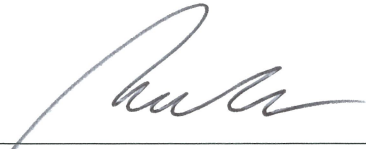
SIGNED by)
WAM Leaders Limited)
 (ACN 611 053 751) in accordance with section)
 127 of the Corporations Act:)



 Director/Secretary

LINDA VO

 Name (please print)

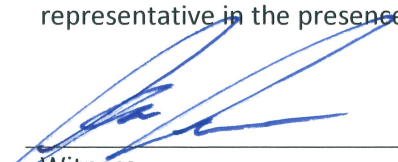


 Director

MELINDA SNOWDEN

 Name (please print)

SIGNED by)
Century Australia Investments Limited)
 (ACN 107 772 761) by its duly authorised)
 representative in the presence of:)



 Witness

CHRISTOPHER CLARKE

 Name (please print)



 Director

Stephen Menzies

 Name (please print)

[Execution Version]

Deed of Amendment

WAM Leaders Limited (ACN 611 053 751)

Century Australia Investments Limited (ACN 107 772 761)



KARDOS • SCANLAN
CORPORATE LAWYERS

THIS DEED is made on

19 December 2018

BETWEEN

1. **WAM Leaders Limited** (ACN 611 053 751) of Level 26, Governor Phillip Tower, 1 Farrer Place, Sydney New South Wales, 2000 (**WAM Leaders**); and
2. **Century Australia Investments Limited** (ACN 107 772 761) of Level 12, 680 George Street, Sydney New South Wales, 2000 (**Century**).

RECITALS

- A. The parties are parties to a scheme implementation agreement (**SIA**) dated 13 November 2018.
- B. With effect from the date of this deed, the parties amend the SIA on the terms set out in this deed.
- C. All other terms of the SIA otherwise continue in full force and effect.

1. DEFINITIONS AND INTERPRETATION

Unless otherwise defined, words and expressions which are defined in SIA have the same meaning when used in this deed. References to clauses and schedules are to clauses and schedules of the SIA.

2. AMENDMENT TO THE SIA

With effect from the date of the deed, the Parties agree to amend the SIA by:

- (a) including an additional clause 4.3A as follows:

"4.3A Determination of NTA by Independent Expert

- (a) *If a party disagrees with the accuracy of the calculation of the other party's NTA under clauses 4.1(s) and 4.2(l) due to a material discrepancy identified in the WAM Leaders Data or Century Data (as applicable) (**Discrepancy**), that party must immediately notify the other party once the Discrepancy has been identified.*
- (b) *Upon receipt of the notification under clause 4.3A(a), the parties must use their best endeavours to resolve the Discrepancy.*
- (c) *If the Discrepancy is not resolved within 2 Business Days after receipt of a notice under clause 4.3A(a), the parties must refer the Discrepancy to the Independent Expert to make a determination in respect of the Discrepancy.*
- (d) *The parties acknowledge and agree that the determination made by the Independent Expert in respect of the Discrepancy will be final and binding on the parties."*; and

- (b) replacing the definition of Calculation Date in clause 1.1 as follows:

"Calculation Date means 31 January 2019, or such other time and date as Century and WAM Leaders agree in writing."

3. GENERAL

3.1 Governing law and jurisdiction

This deed is governed by and is to be construed in accordance with the laws applicable in New South Wales. Each Party submits to the non-exclusive jurisdiction of the courts in New South Wales and any courts which have jurisdiction to hear appeals from any of those courts.


3.2 Counterparts

This deed may consist of a number of counterparts and, if so, the counterparts taken together constitute one deed.

EXECUTED as a DEED on

2018

EXECUTED by **WAM Leaders Limited** (ACN 611 053 751) in accordance with section 127 of the *Corporations Act 2001* (Cth):

Signature of director


Name

Signature of director/secretary

Name

EXECUTED by **Century Australia Investments Limited** (ACN 107 772 761) in accordance with section 127 of the *Corporations Act 2001* (Cth):

Signature of director

Name

Signature of director/secretary

Name

3. GENERAL

3.1 Governing law and jurisdiction

This deed is governed by and is to be construed in accordance with the laws applicable in New South Wales. Each Party submits to the non-exclusive jurisdiction of the courts in New South Wales and any courts which have jurisdiction to hear appeals from any of those courts.

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This deed may consist of a number of counterparts and, if so, the counterparts taken together constitute one deed.

EXECUTED as a DEED on

2018

EXECUTED by WAM Leaders Limited (ACN 611)
053 751) in accordance with section 127 of the)
Corporations Act 2001 (Cth):)

 Signature of director



 Signature of director/secretary

 Name

LINDA VO

 Name

EXECUTED by Century Australia Investments)
Limited (ACN 107 772 761) in accordance with)
section 127 of the Corporations Act 2001 (Cth):)

 Signature of director

 Signature of director/secretary

 Name

 Name

3. GENERAL

3.1 Governing law and jurisdiction

This deed is governed by and is to be construed in accordance with the laws applicable in New South Wales. Each Party submits to the non-exclusive jurisdiction of the courts in New South Wales and any courts which have jurisdiction to hear appeals from any of those courts.

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2018

EXECUTED by WAM Leaders Limited (ACN 611)
053 751) in accordance with section 127 of the)
Corporations Act 2001 (Cth):)

Signature of director

Signature of director/secretary

Name

Name

EXECUTED by Century Australia Investments)
Limited (ACN 107 772 761) in accordance with)
section 127 of the *Corporations Act 2001* (Cth):)

Signature of director

Signature of director/secretary

Name

Name


Stephen Menzies

3. GENERAL

3.1 Governing law and jurisdiction

This deed is governed by and is to be construed in accordance with the laws applicable in New South Wales. Each Party submits to the non-exclusive jurisdiction of the courts in New South Wales and any courts which have jurisdiction to hear appeals from any of those courts.

3.2 Counterparts

This deed may consist of a number of counterparts and, if so, the counterparts taken together constitute one deed.

EXECUTED as a DEED on

2018

EXECUTED by WAM Leaders Limited (ACN 611)
053 751) in accordance with section 127 of the)
Corporations Act 2001 (Cth):)

Signature of director

Signature of director/secretary

Name

Name

EXECUTED by Century Australia Investments)
Limited (ACN 107 772 761) in accordance with)
section 127 of the Corporations Act 2001 (Cth):)

Signature of director

Signature of director/secretary

Name

Name

Share Scheme of Arrangement

Century Australia Investments Limited

(ACN 107 772 761)

Scheme Shareholders



KARDOS • SCANLAN
CORPORATE LAWYERS

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This scheme of arrangement is made under section 411 of the *Corporations Act 2001* (Cth)

PARTIES:

Century Australia Investments Limited (ACN 107 772 761) of Level 12, 680 George Street, Sydney, NSW, 2000 (**Century**);

and

The Scheme Shareholders.

1. DEFINITIONS AND INTERPRETATION

1.1. Definitions

In this Scheme:

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or, as the context requires, the financial market operated by it.

Business Day means a weekday on which trading banks are open for business in Sydney, Australia, excluding any Saturday, Sunday or public holiday.

Calculation Date means:

- (a) if the Second Court Date occurs within 10 Business Days of 31 January 2019, 5:00pm (Sydney time) on 31 January 2019; or
- (b) otherwise, 5:00pm (Sydney time) on the Second Court Date,

or such other time and date as Century and WAM Leaders agree in writing

Century NTA means the NTA of Century as at the Calculation Date as determined in accordance with the Implementation Agreement.

Century Registry means Link Market Services Limited (ACN 083 214 537) of Level 12, 680 George Street, Sydney NSW 2000.

Century Share means a fully paid ordinary share in the capital of Century.

CHES means the Clearing House Electronic Subregister System operated by ASX Settlement Pty Ltd and ASX Clear Pty Limited.

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

Court means the Federal Court of Australia or such other court of competent jurisdiction under the Corporations Act WAM Leaders and Century agree in writing.

Deed Poll means the deed poll to be granted by Century in substantially the form set out in Schedule 3 to the Implementation Agreement or such other form agreed to in writing between the Century and WAM Leaders.

Delivery Time means, in relation to the Second Court Date, the time being 2 hours before commencement of the hearing of the Court on the Second Court Date.

Effective means, when used in relation to the Scheme, the coming into effect, under section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) in relation to the Scheme.

Effective Date means the date on which the Scheme becomes Effective.

End Date means 1 April 2019.

Government Agency means any foreign or Australian government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity, or any minister of the Crown in right of the Commonwealth of Australia or any state.

Implementation Date means the day 5 Business Days after the Scheme Record Date or such other date as Century and WAM Leaders agree in writing.

Implementation Agreement means the scheme implementation agreement dated 13 November 2018 between WAM Leaders and Century relating to the implementation of this Scheme.

Ineligible Foreign Shareholder means a Scheme Shareholder whose address as shown in the Share Register is a place outside Australia and its external territories unless Century and WAM Leaders agree in writing that it is lawful and not unduly onerous or impracticable to issue that Scheme Shareholder with New WAM Leaders Shares when this Scheme becomes Effective.

Listing Rules means the official listing rules of the ASX.

New WAM Leaders Shares means WAM Leaders Shares to be issued pursuant to this Scheme as Scheme Consideration.

NTA means the pre-tax net tangible asset backing of Century or WAM Leaders (as the context requires) per Century Share or WAM Leaders Share (as the case may be) after excluding all current and deferred tax assets and liabilities and calculated on the basis that any amount pertaining to each of Century's and WAM Leader's proportion of the Transaction Costs calculated in accordance with clause 12.1(a) of the Implementation Agreement which remains unpaid as at the Calculation Date is treated as a liability of Century or WAM Leaders (as applicable), calculated in accordance with the Corporations Act, Australian Accounting Standards (including the Australian Accounting Interpretations), the Corporations Regulations and consistent with the requirements of the Listing Rules for an Investment Entity, rounded to the nearest one hundredth of a cent.

Registered Address means, in relation to a Century Shareholder, the address of the Century Shareholder as recorded in the Share Register.

Sale Agent means the agent appointed in relation to the Scheme by WAM Leaders to sell the WAM Leaders Shares that would have otherwise been issued to Ineligible Foreign Shareholders.

Scheme means this scheme of arrangement under Part 5.1 of the Corporations Act between Century and the Scheme Shareholders subject to any alternations or conditions:

(a) agreed to in writing by the WAM Leaders and Century and approved by the Court; or

- (b) made or required by the Court under section 411(6) of the Corporations Act and agreed by WAM Leaders and Century.

Scheme Consideration for each Scheme Share means, subject to clause 5.3, the number of New WAM Leaders Shares determined by dividing the Century NTA by the WAM Leaders NTA.

Scheme Meeting means the meeting of Century Shareholders ordered by the Court to be convened under section 411(1) of the Corporations Act.

Scheme Record Date means 7.00pm on the fifth Business Day after the Effective Date or such other date as agreed in writing by WAM Leaders and Century.

Scheme Share means a Century Share held by a Scheme Shareholder as at the Scheme Record Date.

Scheme Shareholder means each person who is registered in the Share Register as the holder of Century Shares as at the Scheme Record Date.

Scheme Transfer means a duly completed and executed proper instrument of transfer in respect of the Scheme Shares for the purposes of sections 1071B of the Corporations Act, in favour of WAM Leaders as transferee, which may be a master transfer of all or part of the Scheme Shares.

Second Court Date means the first day on which the application made to the Court for an order for the purposes of section 411(4)(b) of the Corporations Act approving the Scheme is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard.

Share Register means the register of members of Century maintained in accordance with the Corporations Act.

WAM Leaders means WAM Leaders Limited (ACN 611 053 751) of Level 26, Governor Phillip Tower, 1 Farrer Place, Sydney, NSW, 2000.

WAM Leaders NTA means the NTA of WAM Leaders as at the Calculation Date as determined in accordance with the Implementation Agreement.

WAM Leaders Share means a fully paid ordinary share in the capital of WAM Leaders.

1.2. Interpretation

In this Scheme, headings and bold type are for convenience only and do not affect interpretation and, unless the context requires otherwise:

- (a) words importing the singular include the plural and vice versa;
- (b) words importing a gender include any gender;
- (c) other parts of speech and grammatical forms of a word or phrase defined in this Scheme have a corresponding meaning;
- (d) a reference to a person includes an individual, the estate of an individual, a corporation, an authority, an association or a joint venture, a partnership, a trust and any Government Agency;

- (e) a reference to a Clause, Party, Attachment or Schedule is a reference to a clause of, and a party, attachment and schedule to this Scheme, and a reference to this Scheme includes any Attachment and Schedule;
- (f) a reference to a statute, regulation, proclamation, ordinance or by-law includes all statutes, regulations, proclamations ordinances or by-laws amending, consolidating or replacing it, whether passed by the same or another Government Agency with legal power to do so, and a reference to a statute includes all regulations, proclamations, ordinances and by laws issued under that statute;
- (g) a reference to any document (including this Scheme) is to that document as varied, novated, ratified or replaced from time to time;
- (h) the word **includes** in any form is not a word of limitation;
- (i) a reference to **\$** or **dollar** is to Australian currency;
- (j) a reference to any time, unless otherwise indicated, is a reference to the time in Sydney, Australia;
- (k) a term defined in or for the purposes of the Corporations Act has the same meaning when used in this Scheme; and
- (l) a reference to the Listing Rules includes any variation, consolidation or replacement of these rules and is to be taken to be subject to any waiver or exemption granted to the compliance of those rules by a Party.

1.3. Business Day

Where the day on or day by which any thing is to be done is not a Business Day, that thing must be done on or by the next Business Day.

2. PRELIMINARY MATTERS

- (a) Century is a public company limited by shares incorporated in Australia and registered in Victoria, Australia, and has been admitted to the official list of the ASX. Century Shares are quoted for trading on the ASX.
- (b) As at the Second Court Date **[insert]** Century Shares were on issue.
- (c) WAM Leaders is a public company limited by shares incorporated in Australia and registered in Victoria, Australia, and has been admitted to the official list of the ASX. WAM Leaders Shares quoted for trading on the ASX.
- (d) As at the Second Court Date **[insert]** WAM Leaders Shares were on issue.
- (e) If this Scheme becomes Effective, in consideration of the transfer of the Scheme Shares, WAM Leaders will provide or procure the provision of the Scheme Consideration to the Scheme Shareholders in accordance with the terms of this Scheme and the Deed Poll.
- (f) Century and WAM Leaders have agreed by executing the Implementation Agreement to Implement the Scheme.

- (g) This Scheme attributes actions to WAM Leaders but does not itself impose an obligation on them to perform those actions. WAM Leaders has agreed, by executing the Deed Poll, to perform the actions attributed to it under this Scheme, including the providing or procuring the provision of the Scheme Consideration to the Scheme Shareholders.

3. CONDITIONS

3.1. Conditions Precedent

This Scheme is conditional on, and will have no force or effect until, the satisfaction of each of the following conditions precedent:

- (a) all the conditions precedent in clause 3.1 of the Implementation Agreement (other than the condition precedent in clause 3.1(c) of the Implementation Agreement relating to Court approval of this Scheme) having been satisfied or waived in accordance with the terms of the Implementation Agreement by the Delivery Time;
- (b) neither the Implementation Agreement or the Deed Poll having been terminated in accordance with their terms before the Delivery Time;
- (c) approval of this Scheme by the Court under section 411(4)(b) of the Corporations Act, including with any alterations made or required by the Court under section 411(6) of the Corporations Act and agreed to by WAM Leaders and Century;
- (d) such other conditions made or required by the Court under section 411(6) of the Corporations Act in relation to this Scheme and agreed to by WAM Leaders and Century; and
- (e) the orders of the Court made under section 411(4)(b) (and, if applicable, section 411(6)) of the Corporations Act approving this Scheme coming into effect, pursuant to section 411(10) of the Corporations Act, on or before the End Date (or any later date WAM Leaders and Century agree).

3.2. Certificate

- (a) Century and WAM Leaders will provide to the Court on the Second Court Date a certificate, or such other evidence as the Court requests, confirming (in respect of matters within their knowledge) whether or not all of the conditions precedent in clauses 3.1(a) and 3.1(b) have been satisfied or waived.
- (b) The certificate referred to in clause 3.2(a) constitutes conclusive evidence that such conditions precedent are satisfied, waived or taken to be waived.

4. IMPLEMENTATION OF THIS SCHEME

4.1. Lodgement of Court orders with ASIC

Century will lodge with ASIC, in accordance with section 411(10) of the Corporations Act, an office copy of the Court order approving this Scheme as soon as possible and in any event by 5.00pm on the first Business Day after the day on which the Court approves this Scheme or such later time as Century and WAM Leaders agree in writing.

4.2. Transfer of Scheme Shares

On the Implementation Date, subject to the provision of the Scheme Consideration in the manner contemplated by clause 5:

- (a) the Scheme Shares, together with all the rights and entitlements attaching to the Scheme Shares as at the Implementation Date, will be transferred to WAM Leaders, without the need for any further act by any Scheme Shareholder (other than acts performed by Century as attorney and agent for Scheme Shareholders under clause 9.5), by:
 - (i) Century delivering to WAM Leaders a duly completed Scheme Transfer, executed on behalf of the Scheme Shareholders by Century, for registration; and
 - (ii) WAM Leaders duly executing the Scheme Transfer, attending to the stamping of the Scheme Transfer (if required) and delivering it to Century for registration; and
- (b) as soon as practicable following receipt of the Scheme Transfer in accordance with clause 4.2(a)(ii) Century must enter, or procure the entry of, the name of WAM Leaders in the Share Register in respect of all the Scheme Shares.

4.3. Entitlement to Scheme Consideration

On the Implementation Date, in consideration for the transfer to WAM Leaders of the Scheme Shares, each Scheme Shareholder will be entitled to receive the Scheme Consideration in respect of each of their Scheme Shares in accordance with clause 5 of this Scheme.

5. SCHEME CONSIDERATION

5.1. Provision of Scheme Consideration

- (a) Subject to clause 5.2, on the Implementation Date, WAM Leaders must:
 - (i) issue to each Scheme Shareholder the Scheme Consideration as consideration for the transfer to WAM Leaders of each Scheme Share; and
 - (ii) apply for quotation on ASX of the New WAM Leaders Shares issued to Scheme Shareholders.
- (b) Subject to clause 5.2, the obligation of WAM Leaders to provide New WAM Leaders Shares pursuant to clause 5.1(a) will be satisfied by WAM Leaders as follows:
 - (i) on the Implementation Date, entering the name and Registered Address (as at the Scheme Record Date) of each Scheme Shareholder on the register of members of WAM Leaders as the holder of the New WAM Leaders Shares which that Scheme Shareholder is entitled to receive under this Scheme; and
 - (ii) within 5 Business Days of the Implementation Date, dispatching a holding statement in respect of the requisite number of New WAM Leaders Shares issued to each Scheme Shareholder in the name of each Scheme Shareholder by prepaid post to their Registered Address (as at the Scheme Record Date).

5.2. Ineligible Foreign Shareholders

(a) WAM Leaders will be under no obligation to issue any New WAM Leaders Shares to any Ineligible Foreign Shareholder as Scheme Consideration, and instead:

- (i) WAM Leaders must issue the New WAM Leaders Shares to which all such Ineligible Foreign Shareholders would otherwise have become entitled under this Scheme to the Sale Agent;
- (ii) WAM Leaders must procure that, as soon as reasonably practicable and in any event not more than 20 Business Days after the Implementation Date, the Sale Agent sells on the ASX all of the New WAM Leaders Shares issued to the Sale Agent and pays to Century the net proceeds of sale received after deducting any applicable brokerage, stamp duty and other costs, taxes and charges); and
- (iii) Century must pay, or procure the payment of, to each Ineligible Shareholder the amount “A” calculated in accordance with the following formula and rounded down to the nearest cent:

$$A = (B \div C) \times D$$

Where:

B = the number of New WAM Leaders Shares that would have been issued to that Ineligible Foreign Shareholder had it not been an Ineligible Foreign Shareholder; and

C = the total number of New WAM Leaders Shares which would otherwise have been issued to all Ineligible Foreign shareholders and which are issued to the Sale Agent; and

D = the net proceeds of sale of those New WAM Leaders Shares (as set out in clause 5.2(a)(ii)).

(b) The obligation of Century to pay, or procure the payment of amounts in accordance with clause 5.2(a)(iii) will be satisfied by Century:

- (i) where a Scheme Shareholder has, before the Record Date, made an election in accordance with the requirements of the Share Register to receive dividend payments from Century by electronic funds transfer to a bank account nominated by the Scheme Shareholder, paying, or procuring the payment of, the relevant amount in Australian currency by electronic means in accordance with that election; or
- (ii) whether or not a Scheme Shareholder has made an election referred to in clause 5.2(b)(i), dispatching, or procuring the dispatch of, a cheque drawn on an Australian bank in Australian currency for the relevant amount to the Scheme Shareholder by pre-paid ordinary post (or, if the address of the Scheme Shareholder in the Share Register is outside Australia, by pre-paid airmail post) to their Registered Address at the Record Date, such cheque being drawn in the name of the Scheme Shareholder (or in the case of joint holders, in accordance with clause 5.4(b)).

- (c) Payment to an Ineligible Foreign Shareholder in accordance with this clause 5.2 satisfies in full the Ineligible Foreign Shareholder's right to Scheme Consideration.
- (d) Century may cancel a cheque issued under clause 5.2 if the cheque:
 - (i) is returned to Century; or
 - (ii) has not been presented for payment within 6 months after the date on which the cheque was sent.
- (e) During the period of one year commencing on the Implementation Date, on request from a Scheme Shareholder (which request may not be made until the date which is 5 Business Days after the Implementation Date), Century must reissue a cheque that was previously cancelled under clause 5.2(d).
- (f) Century must maintain appropriate records of all payments made in accordance with this clause 5.2, including (amongst other things) the amounts paid (including the method of payment in accordance with clause 5.2(b)), the persons paid and any cancelled cheques pursuant to this clause 5.2.
- (g) The *Unclaimed Money Act* 1995 (NSW) will apply in relation to any Scheme Consideration which becomes "unclaimed money" (as defined in section 7 of the *Unclaimed Money Act* 1995 (NSW)).
- (h) Any interest or other benefit accruing from unclaimed Scheme Consideration will be to the benefit of WAM Leaders.
- (i) In the case of notice having been given to Century (or the Share Registry) of an order or direction made by a court of competent jurisdiction or by a Government Agency:
 - (i) which requires payment to a third party of a sum in respect of Scheme Shares held by a particular Scheme Shareholder, which would otherwise be payable to that Scheme Shareholder in accordance with clause 5.2, then Century shall procure that payment is made in accordance with that order; or
 - (ii) which would prevent Century from dispatching payment to any particular Scheme Shareholder in accordance with clause 5.2 of this Scheme, or such payment is otherwise prohibited by applicable law, Century will be entitled to retain an amount, in Australian dollars, equal to the number of Scheme Shares held by that Scheme Shareholder multiplied by the Scheme Consideration until such time as payment in accordance with clause 5.2 of this Scheme is permitted by law.
- (j) None of Century, WAM Leaders or the Sale Agent gives any assurance as to the price that will be achieved for the sale of New WAM Leaders Shares described in clause 5.2.
- (k) Each Ineligible Foreign Shareholder appoints Century as its agent to receive on its behalf any financial services guide or other notices which may be given by the Sale Agent to that Ineligible Foreign Shareholder.

5.3. Rounding of fractional entitlements and splitting

- (a) If the number of Scheme Shares held by a Scheme Shareholder is such that an entitlement of that Scheme Shareholder to New WAM Leaders Shares is not a whole number, then any

fractional entitlement to New WAM Leaders Shares will be rounded to the nearest whole number of WAM Leaders Shares.

- (b) If WAM Leaders is of the opinion, formed reasonably, that several Scheme Shareholders, each of which holds a holding of Century Shares which results in a fractional entitlement to WAM Leaders Shares, have, before the Scheme Record Date, been party to a shareholding splitting or division in an attempt to obtain an advantage by reference to the rounding provided for in the calculation of each Scheme Shareholder's entitlement to the Scheme Consideration, WAM Leaders may direct Century to give notice to those Scheme Shareholders:
 - (i) setting out the names and Registered Address of all of them;
 - (ii) stating that opinion; and
 - (iii) attributing to one of them specifically identified in the notice the Century Shares held by all of them,

and, after the notice have been so given, the Scheme Shareholder specifically identified in the notice shall, for the purposes of this Scheme, be taken to hold all those Century Shares and each of the other Scheme Shareholders whose names set out in the notice shall, for the purposes of this Scheme, be taken to hold no Century Shares.

5.4. Joint holders

In the case of Scheme Shares held in joint names:

- (a) any New WAM Leaders Shares must be issued to and registered in the name of the joint holders and the holding statement in respect of the requisite number of New WAM Leaders Shares must be sent to the holder whose name appears first in the Share Register as at the Scheme Record Date; and
- (b) any bank cheque required to be paid to Ineligible Foreign Shareholders by or on behalf of Century in accordance with clause 5.2(b) must be payable to the joint holders and be forwarded to the holder whose name appears first in the Share Register as at the Scheme Record Date.

6. ISSUE OF WAM LEADERS SHARES

6.1. Issue

- (a) Upon issue, the New WAM Leaders Shares will be duly and validly issued in accordance with all applicable laws.
- (b) Each Scheme Shareholder agrees to become a member of WAM Leaders and agrees to be bound by the WAM Leaders constitution as in force from time to time.
- (c) Each Scheme Shareholder will be deemed to have irrevocably appointed WAM Leaders and each of its directors and officers (jointly and severally) as its attorneys for the purpose of executing any form of application required for the WAM Leaders Shares.
- (d) Upon issue:

- (i) the New WAM Leaders Shares will rank equally with all existing WAM Leaders Shares; and
- (ii) each New WAM Leaders Shares will be fully paid and free from any mortgage, charge, lien, encumbrance or other security interest.

7. DEALING IN CENTURY SHARES

7.1. Determination of Scheme Shareholders

To establish the identity of the Scheme Shareholders, dealings in Century Shares or other alterations to the Share Register will only be recognised if:

- (a) in the case of dealings of the type to be effected using CHESS, the transferee is registered in the Share Register as the holder of the relevant Century Share on or before the Scheme Record Date; and
- (b) in all other cases, registerable transfer or transmission applications in respect of those dealings, or valid requests in respect of other alterations, are received on or before the Scheme Record Date at the place where the Share Register is kept,

and Century will not accept for registration, nor recognise for any purpose any transfer or transmission application or other request received after such times, or received prior to such times but not in registrable or actionable form, as appropriate, except a transfer to WAM Leaders pursuant to this Scheme and any subsequent transfer by WAM Leaders.

7.2. Register

- (a) Century must register registerable transmission applications or transfers of the Century Shares in accordance with clause 7.1(b) on or before the Scheme Record Date provided that, for the avoidance of doubt, nothing in this clause 7.2(a) requires Century to register a transfer that would result in a Century Shareholder holding a parcel of Century Shares that is less than a 'marketable parcel' (for the purposes of this clause 7.2(a) 'marketable parcel' has the meaning given in the ASX Settlement Operating Rules).
- (b) If this Scheme becomes Effective, a holder of Scheme Shares (and any person claiming through that holder) must not dispose of or purport to agree to dispose of, any Scheme Shares or any interest in them after the Scheme Record Date otherwise than pursuant to this Scheme, and any attempt to do so will have no effect and Century shall be entitled to disregard any such disposal.
- (c) For the purpose of determining entitlements to the Scheme Consideration, Century must maintain the Share Register in accordance with the provision of this clause 7.2 until the Scheme Consideration has been paid to the Scheme Shareholders. The Share Register in this form will solely determine entitlements to the Scheme Consideration.
- (d) Subject to the provision of the Scheme Consideration and registration of the transfer to WAM Leaders contemplated in clauses 4.2 and 5.1, all statements of holding for Century Shares will cease to have effect after the Scheme Record Date as document of title in respect of those shares and, as from the Scheme Record Date, each entry current as at the Scheme Record Date on the Share Register will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the Century Share relating to that entry.

- (e) As soon as possible on or after the Scheme Record Date, and in any event within one Business Day after the Scheme Record Date, Century will ensure that a copy of the Share Register as at the Scheme Record Date, including details of the names, Registered Addresses and holdings of Scheme Shares for each Scheme Shareholder as shown in the Share Register, is available to WAM Leaders in the form WAM Leaders reasonably requires.

8. QUOTATION OF CENTURY SHARES

- (a) Century will apply to the ASX to suspend trading on the ASX of Century Shares with effect from the close of trading on the Effective Date.
- (b) On a date after the Implementation Date to be determined by WAM Leaders, Century will apply:
 - (i) for termination of the official quotation of Century Shares on the ASX; and
 - (ii) to have itself removed from the official list of the ASX.

9. GENERAL SCHEME PROVISIONS

9.1. Consent to amendments to this Scheme

If the Court proposes to approve this Scheme subject to any alterations or conditions:

- (a) Century may by its counsel consent on behalf of all persons concerned to those alterations or conditions to which WAM Leaders has consented; and
- (b) each Scheme Shareholder agrees to any such alterations or conditions which counsel for Century has consented to and to which WAM Leaders has agreed to.

9.2. Scheme Shareholders' agreement and warranties

- (a) Each Scheme Shareholder:
 - (i) agrees to the transfer of their Scheme Shares together with all rights and entitlements attaching to those Scheme Shares in accordance with this Scheme; and
 - (ii) agrees and acknowledges that this Scheme binds Century and all Scheme Shareholders (including those who do not attend the Scheme Meeting or those who do not vote, or vote against this Scheme, at the Scheme Meeting).
- (b) Each Scheme Shareholder is taken to have warranted to Century and WAM Leaders, and appointed and authorised Century as its attorney and agent to warrant to WAM Leaders, that:
 - (i) all their Scheme Shares (including any rights and entitlements attaching to those shares) which are transferred under this Scheme will, at the date of transfer, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind, whether legal or equitable;

- (ii) they have no existing right to be issued any Century Shares, securities convertible into Century Shares or which carry a right to be issued or transferred any Century Shares, any convertible notes issued by Century or any other Century securities; and
- (iii) they have full power and capacity to sell and transfer their Scheme Shares to WAM Leaders together with any rights attaching to those shares under the Scheme.

9.3. Title to and rights in Scheme Shares

- (a) To the extent permitted by law, the Scheme Shares (including all rights and entitlements attaching to the Scheme Shares) transferred under this Scheme to WAM Leaders will, at the time of transfer of them to WAM Leaders, vest in WAM Leaders free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind, whether legal or otherwise and free from any restrictions on transfer of any kind.
- (b) Subject to the provision of the Scheme Consideration to each Scheme Shareholder in the manner contemplated by clause 5, on and from the Implementation Date WAM Leaders will be beneficially entitled to the Scheme Shares to be transferred to it under this Scheme pending registration by Century of WAM Leaders in the Share Register as the holder of the Scheme Shares.

9.4. Appointment of sole proxy

Subject to the provision of the Scheme Consideration to each Scheme Shareholder in the manner contemplated by clause 5, on and from the Implementation Date and until WAM Leaders is registered as the holder of the Scheme Shares in the Share Register, each Scheme Shareholder:

- (a) is deemed to have appointed WAM Leaders as attorney and agent (and directed WAM Leaders in such capacity) to appoint any director, officer, secretary or agent nominated by WAM Leaders as its sole proxy and, where applicable or appropriate, corporate representative to attend shareholders' meetings, exercise the votes attaching to the Scheme Shares registered in their name and sign any shareholders' resolution;
- (b) may not itself attend or vote at any of those meetings or sign any resolutions, whether in person, by proxy or by corporate representative (other than pursuant to clause 9.4(a));
- (c) must take all other actions in the capacity of a registered holder of Scheme Shares as WAM Leaders reasonably directs; and
- (d) acknowledges and agrees that in exercising the powers referred to in clause 9.4(a), WAM Leaders and any director, officer, secretary or agent nominated by WAM Leaders under clause 9.4(a) may act in the best interests of WAM Leaders as intended registered holder of the Scheme Shares.

9.5. Authority given to Century

Each Scheme Shareholder, without the need for any further act:

- (a) on the Scheme becoming Effective, irrevocably appoints Century and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent for the purpose of enforcing the Deed Poll against WAM Leaders and Century undertakes in favour of

each Scheme Shareholder that it will enforce the Deed Poll against WAM Leaders on behalf of and as agent and attorney for Scheme Shareholders; and

- (b) on the Scheme becoming Effective, irrevocably appoints Century and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent for the purpose of executing any document or doing or taking any other act, necessary, desirable or expedient to give effect to this Scheme and the transactions contemplated by it, including (without limitation) executing the Scheme Transfer,

and Century accepts each such appointment. Century as attorney and agent of each Scheme Shareholder, may sub-delegate its functions, authorities or powers under this clause 9.5 to all or any of its directors, officers or employees (jointly, severally or jointly and severally).

9.6. Binding effect of Scheme

This Scheme binds century and all of the Scheme Shareholders (including those who did not attending the meeting of Century Shareholders to vote on this Scheme, did not vote at that meeting, or voted against this Scheme at that meeting) and, to the extent of any inconsistency, overrides the constitution of Century.

10. GENERAL

10.1. Duty

WAM Leaders must:

- (a) pay all duties and any fines and penalties with respect to duty in respect of this Scheme and the Deed Poll, the performance of the Deed Poll and each transaction effected by or made under or in connection with this scheme and the Deed Poll; and
- (b) indemnify each Scheme Shareholder against any liability arising from failure to comply with clause 10.1(a).

10.2. Counsel

Each of the Scheme Shareholders consents to Century doing all things necessary or incidental to the implementation of this Scheme.

10.3. Notices

- (a) If a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to Century, it will not be taken to be received in the ordinary course of post or on a date and time other than the date and time (if any) on which it is actually received at Century's registered office or at the office of the Century Registry.
- (b) The accidental omission to give notice of the Scheme Meeting or the non-receipt of such notice by a Century Shareholder will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

10.4. Governing law and jurisdiction

- (a) This Scheme is governed by the laws in force in the State of New South Wales.

- (b) Each Party irrevocably submits to the non-exclusive jurisdiction of the courts of the State of New South Wales and courts competent to hear appeals from those courts.

10.5. Further action

Century must do all things and execute all further documents necessary or expedient to give full effect to this Scheme and the transactions contemplated by it.

10.6. No liability when acting in good faith

Neither Century or WAM Leaders nor any director, officer or secretary of Century or WAM Leaders will be liable for anything done or omitted to be done in the performance of this Scheme or the Deed Poll in good faith.

Notice of Scheme Meeting

Notice is given that, by an order of the Federal Court of Australia made on 21 December 2018 pursuant to section 411(1) of the Corporations Act 2001 (Cth), a meeting of the shareholders of Century Australia Investments Limited (**Century**) will be held:

Date: Tuesday, 12 February 2019

Time: 10:00am (Sydney time)

Venue: The offices of WAM Leaders Limited (**WAM Leaders**) at Level 26, Governor Phillip Tower, 1 Farrer Place, Sydney NSW 2000

Business of the Scheme Meeting

The purpose of the Scheme Meeting is to consider and, if thought fit, to agree to a scheme of arrangement (subject to any alterations or conditions agreed to in writing by WAM Leaders and Century and approved by the Federal Court of Australia (**Court**) or made or required by the Court under section 411(6) of the Corporations Act and agreed by WAM Leaders and Century) proposed to be made between Century and the holders of ordinary shares in Century (**Scheme**) pursuant to Part 5.1 of the Corporations Act.

The Scheme is proposed to be made in the form of the scheme contained in Annexure C of the Scheme Booklet accompanying this Notice of Scheme Meeting, subject to any alterations or conditions agreed to in writing by WAM Leaders and Century and approved by the Court or made or required by the Court under section 411(6) of the Corporations Act and agreed by WAM Leaders and Century. To assist you in making an informed voting decision, further information regarding the Scheme is set out in the Scheme Booklet.

Resolution

At the Scheme Meeting, you will be asked to consider and, if thought fit, to pass the following resolution:

*“That, pursuant to and in accordance with section 411 of the Corporations Act, the scheme of arrangement proposed between Century Australia Investments Limited (**Century**) and the holders of its fully paid ordinary shares, the terms of which are described in the Scheme Booklet of which the notice convening this meeting forms part, is approved (subject to any alterations or conditions agreed to in writing by WAM Leaders Limited (**WAM Leaders**) and Century and approved by the Federal Court of Australia (**Court**) or made or required by the Court under section 411(6) of the Corporations Act and agreed by WAM Leaders and Century.”*

Chairman

The Court has directed that Robert Turner is to act as chairman of the meeting (and that, if Robert Turner is unable or unwilling to attend, Stephen Menzies is to act as chairman of the meeting) and has directed the chairman to report the result of the Scheme Resolution to the Court.

By order of the Court and the Board of Century Australia Investments Limited.



Naomi Dolmatoff
Company Secretary

Dated 21 December 2018

Information for Shareholders

Material Accompanying This Notice

This notice of meeting and the Scheme Resolution should be read in conjunction with the accompanying Scheme Booklet.

Unless otherwise defined in this notice of meeting, capitalised terms used in this notice have the same meaning as set out in the Glossary of Terms in section 12 of the Scheme Booklet.

A copy of the Scheme of Arrangement is contained in Annexure C to the Scheme Booklet.

A Proxy Form also accompanies the Scheme Booklet.

Voting

Each of the Independent Directors recommends that Century Shareholders vote in favour of the Scheme Resolution, in the absence of a superior proposal.

Majority Required

In order for the Scheme to be implemented the Scheme Resolution must be approved by Century Shareholders at the Scheme Meeting. This means votes in favour of the Scheme Resolution must be received from:

- a majority in number (more than 50%) of Century Shareholders present and voting at the Scheme Meeting (whether in person, by proxy, by attorney or by corporate representative); and
- at least 75% of the total number of votes cast on the Scheme Resolution (whether in person, by proxy, by attorney or by corporate representative).

Court Approval

In accordance with section 411(4)(b) of the Corporations Act, the Scheme is subject to the approval of the Court.

If the Scheme Resolution is approved at the Scheme Meeting by the requisite majority of Century Shareholders, and the Conditions Precedent to the Scheme (summarised in 10.8 of the Scheme Booklet, and set out in full in 3.1 of the Scheme Implementation Agreement) are satisfied or, where applicable, waived, Century intends to apply to the Court for approval of the Scheme.

Who Is Entitled To Vote

The Court has ordered that, for the purposes of the Scheme Meeting, the time for determining eligibility to vote at the Scheme Meeting is 7:00 pm (Sydney time) on Sunday, 10 February 2019. Only those Century Shareholders entered on the Share Register at that time will be entitled to attend and vote at the Scheme Meeting, either in person, by proxy or attorney. If you are a corporate shareholder, then you can appoint a corporate representative to attend and vote your shares at the Scheme Meeting.

In the case of Century Shares held by joint holders, only one of the joint shareholders is entitled to vote. If more than one shareholder votes in relation to jointly held Century Shares, only the vote of the shareholder whose name appears first in the Share Register will be counted.

Voting

How to vote on the Scheme

You can vote:

- (a) in person, by attending the Scheme Meeting;
- (b) by proxy;
- (c) by attorney; or
- (d) by corporate authorised representative.

Voting in person

Eligible Century Shareholders who wish to attend and vote at the Scheme Meeting in person will be admitted and given a voting card at the point of entry to the meeting, once they have disclosed their name and address.

Voting by proxy

Eligible Century Shareholders may appoint an individual or a body corporate as a proxy. If a body corporate is appointed as a proxy, that body corporate must ensure that it appoints a corporate representative in accordance with section 250D of the Corporations Act to exercise its powers as proxy at the Scheme Meeting.

A proxy need not be a Century Shareholder.

A Century Shareholder may appoint up to two proxies and specify the proportion or number of votes each proxy may exercise. If the Century Shareholder does not specify the proportion or number of votes to be exercised, each proxy may exercise half of the Century Shareholder's votes.

To be effective, the proxy must be received at the Registry no later than 10:00am (Sydney time) on Sunday, 10 February 2019 (48 hours before the Scheme Meeting) or if the meeting is adjourned or postponed, no later than 48 hours before the resumption of the meeting in relation to the resumed part of the meeting. Proxies must be received before that time by one of the following methods:

By post: Century Australia Investments Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia

By facsimile: 02 9287 0309 (within Australia)
+61 2 9287 0309 (from outside Australia)

By delivery in person: Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138

or

Level 12, 680 George Street
Sydney NSW 2000

Online: www.linkmarketservices.com.au

To be valid, a Proxy Form must be received by the Company in the manner stipulated above. The Company reserves the right to declare invalid any proxy not received in this manner.

If a Proxy Form is completed under power of attorney or other authority, the power of attorney or other authority, or a certified copy of the power of attorney or other authority, must accompany the completed Proxy Form unless the power of attorney or other authority has previously been noted by the Registry.

A vote given in accordance with the terms of a proxy appointment is valid despite the revocation of that appointment, unless notice in writing of the revocation has been received by the Registry by 10:00am (Sydney time) on Sunday 10 February 2019 (48 hours before the Scheme Meeting) or if the meeting is adjourned or postponed, no later than 48 hours before the resumption of the meeting in relation to the resumed part of the meeting in any of the ways described above.

If you wish to appoint a second proxy, a second Proxy Form should be used and you should clearly indicate on the second Proxy Form that it is a second proxy and not a revocation of your first proxy. You can obtain a second Proxy Form from the Registry. Replacement Proxy Forms can also be obtained from the Registry.

If you appoint two proxies, each proxy should be appointed to represent a specified proportion of your voting rights. If you do not specify the proportions in the Proxy Forms, each proxy may exercise half of your votes with any fractions of votes disregarded.

If you hold Century Shares jointly with one or more other persons, in order for your proxy appointment to be valid, either shareholder may sign the Proxy Form.

You should consider how you wish your proxy to vote. That is, whether you want your proxy to vote 'for' or 'against', or abstain from voting on, the Scheme Resolution, or whether to leave the decision to the proxy after he or she has considered the matters discussed at the meeting.

If you do not direct your proxy how to vote on an item of business, the proxy may vote, or abstain from voting, as he or she thinks fit. If you instruct your proxy to abstain from voting on an item of business, he or she is directed not to vote on your behalf, and the shares the subject of the proxy appointment will not be counted in computing the required majority.

If you return your Proxy Form:

- without identifying a proxy on it, you will be taken to have appointed the chairman of the meeting as your proxy to vote on your behalf; or
- with a proxy identified on it but your proxy does not attend the meeting, the chairman of the meeting will act in place of your nominated proxy and vote in accordance with any directions on your Proxy Form.

The chairman of the meeting intends to vote all valid undirected proxies which appoint (or are taken to appoint) the chairman in favour of the Scheme Resolution, in the absence of a superior proposal and subject to the Independent Expert continuing to consider the Scheme to be in the best interests of Century Shareholders.

Proxies of eligible Century Shareholders will be admitted to the meeting and given a voting card on providing at the point of entry to the meeting written evidence of their name and address.

Your appointment of a proxy does not preclude you from attending in person, revoking the proxy and voting at the meeting.

Voting by attorney

Century Shareholders wishing to vote by attorney at the Scheme Meeting must, if they have not already presented an appropriate power of attorney to Century for notation, deliver to Century the original instrument appointing the attorney by no later than 10:00am (Sydney time) on Sunday, 10 February 2019 (48 hours before the Scheme Meeting) or, if the Scheme Meeting is adjourned, at least 48 hours before the resumption of the Scheme Meeting in relation to the resumed part of the Scheme Meeting.

Unless the contrary is evident from the express terms of attorney, any power of attorney granted by a Century Shareholder will, as between Century and that Century Shareholder, continue in force and may

be acted on, unless express notice in writing of its revocation or the death of the relevant Century Shareholder is lodged with Century.

Voting by corporate authorised representative

A body corporate which is a shareholder, or which has been appointed as a proxy, is entitled to appoint any person to act as its representative at the Scheme Meeting. The appointment of the representative must comply with the requirements under section 250D of the Corporations Act. The representative should bring to the Scheme Meeting a properly executed letter or other document confirming its authority to act as the company's representative. A "Certificate of Appointment of Corporate Representative" form may be obtained from the Registry or online at www.linkmarketservices.com.au.

Advertisement

Where this notice of meeting is advertised unaccompanied by the Scheme Booklet, a copy of the Scheme Booklet can be obtained by anyone entitled to attend the meeting from Century's website (www.centuryaustralia.com.au) or by contacting the Company Secretary of Century or the Registry.

LODGE YOUR PROXY



ONLINE

www.linkmarketservices.com.au



BY MAIL

Century Australia Investments Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



BY FAX

+61 2 9287 0309



BY HAND

Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138; or
Level 12, 680 George Street, Sydney NSW 2000



ALL ENQUIRIES TO

Telephone: +61 1300 554 474



X99999999999

PROXY FORM

I/We being a member(s) of Century Australia Investments Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY



**the Chairman of the
Meeting (mark box)**

OR if you are **NOT** appointing the Chairman of the Meeting
as your proxy, please write the name of the person or
body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Scheme Meeting of the Company to be held at **10.00am (Sydney time) on Tuesday, 12 February 2019 at the Offices of WAM Leaders Limited at Level 26, Governor Phillip Tower, 1 Farrer Place, Sydney NSW 2000 (the Meeting)** and at any postponement or adjournment of the Meeting.

The chairman of the meeting intends to vote all valid undirected proxies which appoint (or are taken to appoint) the chairman in favour of the Scheme Resolution, in the absence of a superior proposal and subject to the Independent Expert continuing to consider the Scheme to be in the best interests of Century Shareholders.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an ☒

Scheme Resolution

For Against Abstain*

- 1** "That, pursuant to and in accordance with section 411 of the Corporations Act, the scheme of arrangement proposed between Century Australia Investments Limited (Century) and the holders of its fully paid ordinary shares, the terms of which are described in the Scheme Booklet of which the notice convening this meeting forms part, is approved (subject to any alterations or conditions agreed to in writing by WAM Leaders Limited (WAM Leaders) and Century and approved by the Federal Court of Australia (Court) or made or required by the Court under section 411(6) of the Corporations Act and agreed by WAM Leaders and Century."

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10.00am (Sydney time) on Sunday, 10 February 2019**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link www.linkmarketservices.com.au into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



BY MAIL

Century Australia Investments Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138

or

Level 12
680 George Street
Sydney NSW 2000

* During business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE SCHEME MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**