

Appendix 1A

ASX Listing Application and Agreement

This form is required by listing rule 1.7 to be used by an entity seeking admission to the ⁺official list as an ASX Listing (for classification as an ASX Debt Listing use Appendix 1B and for classification as an ASX Foreign Exempt Listing use Appendix 1C).

All entity's seeking admission to the ⁺official list as an ASX Listing must also provide to ASX the information and documents referred to in the Information Form and Checklist (ASX Listing) published on the ASX website.

The Appendix 1A and the Information Form and Checklist (ASX Listing) given to ASX become ASX's property and will be made public by way of release on ASX Markets Announcement Platform. Supporting documents may also be made public. This may occur prior to admission of the entity and ⁺quotation of its ⁺securities. If it does, publication does not mean that the entity will be admitted or that its ⁺securities will be quoted.

Introduced 01/07/96 Origin: Appendix 1 Amended 01/07/97, 01/07/98, 01/09/99, 13/03/00, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 20/07/07, 01/01/12, 01/05/13

Name of entity

ABN/ARBN/ARSN

NAOS Absolute Opportunities Company Ltd

49 169 448 837

We (the entity named above) apply for admission to the ⁺official list of ASX Limited (ASX) as an ASX Listing and for ⁺quotation of the following ⁺securities:

	Number to be quoted	⁺ Class
⁺ Main class of ⁺ securities	50,000,000	ORD
Additional ⁺ classes of ⁺ securities to be quoted (if any) [Do not include ⁺ CDIs]	50,000,000	Listed Options expiring 30 Nov 2016

We agree:

1. Our admission to the ⁺official list and classification as an ASX Listing is in ASX's absolute discretion. ASX may admit us on any conditions it decides. ⁺Quotation of our ⁺securities is in ASX's absolute discretion. ASX may quote our ⁺securities on any conditions it decides. Our removal from the ⁺official list, the suspension or ending of ⁺quotation of our ⁺securities, or a change in the category of our admission is in ASX's absolute discretion. ASX is entitled immediately to suspend ⁺quotation of our ⁺securities or remove us from the ⁺official list if we break this agreement, but the absolute discretion of ASX is not limited.
2. We warrant the following to ASX:
 - The issue of the ⁺securities to be quoted complies with the law and is not for an illegal purpose.

⁺ See chapter 19 for defined terms.

- The ⁺securities to be quoted comply with listing rule 2.1 and there is no reason why the ⁺securities should not be granted ⁺quotation.
- An offer of the ⁺securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 and section 1016E of the Corporations Act do not apply to any applications received by us in relation to any ⁺securities to be quoted and that no-one has any right to return any ⁺securities to be quoted under sections 601MB(1), 737, 738, 992A, 992AA or 1016F of the Corporations Act at the time that we request that the ⁺securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the ⁺securities to be quoted under section 1019B of the Corporations Act at the time that we request that the ⁺securities be quoted.
3. We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from, or connected with, any breach of the warranties in this agreement.
 4. We give ASX the information and documents required by this form, including the information and documents referred to in the *Information Form and Checklist (ASX Listing)* published on the ASX website. If any information or document is not available now, we will give it to ASX before ⁺quotation of the ⁺securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (or will be) true and complete.
 5. We will comply with the listing rules that are in force from time to time, even if ⁺quotation of our ⁺securities is deferred, suspended or subject to a ⁺trading halt.
 6. The listing rules are to be interpreted:
 - in accordance with their spirit, intention and purpose;
 - by looking beyond form to substance; and
 - in a way that best promotes the principles on which the listing rules are based.
 7. ASX has discretion to take no action in response to a breach of a listing rule. ASX may also waive a listing rule (except one that specifies that ASX will not waive it) either on our application or of its own accord on any conditions. ASX may at any time vary or revoke a decision on our application or of its own accord.
 8. A document given to ASX by an entity, or on its behalf, becomes and remains the property of ASX to deal with as it wishes, including copying, storing in a retrieval system, transmitting to the public, and publishing any part of the document and permitting others to do so. The documents include a document given to ASX in support of the listing application or in compliance with the listing rules.

⁺ See chapter 19 for defined terms.

9. In any proceedings, a copy or extract of any document or information given to ASX is of equal validity in evidence as the original.
10. Except in the case of an entity established in a jurisdiction whose laws have the effect that the entity's ⁺securities cannot be approved under the operating rules of the ⁺approved CS facility:
- We will satisfy the ⁺technical and performance requirements of the ⁺approved CS facility and meet any other requirements the ⁺approved CS facility imposes in connection with approval of our ⁺securities.
 - When ⁺securities are issued we will enter them in the ⁺approved CS facility's subregister holding of the applicant before they are quoted, if the applicant instructs us on the application form to do so.
 - The ⁺approved CS facility is irrevocably authorised to establish and administer a subregister in respect of the ⁺securities for which ⁺quotation is sought.
11. Except in the case of an entity established in a jurisdiction whose laws have the effect that the entity's ⁺securities cannot be approved under the operating rules of the ⁺approved CS facility, we confirm that either:
- ☐ we have given a copy of this application to the ⁺approved CS facility in accordance with the operating rules of the ⁺approved CS facility ; or
- ☒ we ask ASX to forward a copy of this application to the ⁺approved CS facility.
12. In the case of an entity established in a jurisdiction whose laws have the effect that the entity's ⁺securities cannot be approved under the operating rules of the ⁺approved CS facility:
- The ⁺approved CS facility is irrevocably authorised to establish and administer a subregister in respect of ⁺CDIs.
 - We will make sure that ⁺CDIs are issued over ⁺securities if the holder of quoted ⁺securities asks for ⁺CDIs.
13. In the case of an entity established in a jurisdiction whose laws have the effect that the entity's ⁺securities cannot be approved under the operating rules of the ⁺approved CS facility:
- ☐ we have given a copy of this application to the approved CS facility in accordance with the operating rules of the ⁺approved CS facility; or
- ☐ we ask ASX to forward a copy of this application to the ⁺approved CS facility.

⁺ See chapter 19 for defined terms.

Dated:

Executed as a deed:

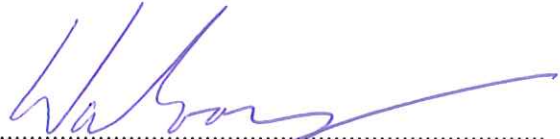
EXECUTED BY NAOS Absolute)
Opportunities Company Ltd (A.B.N. 49)
169 448 837) in accordance with section)
127(1) of the Corporations Act, 2001 (Cth))



Signature of Director



Name of Director (please print)



Signature of Director / Secretary



Name of Director / Secretary (please print)

⁺ See chapter 19 for defined terms.

Information Form and Checklist

(ASX Listing)

Name of entity

ABN/ARB/ARSN

NAOS Absolute Opportunities Company Ltd

49 169 448 837

We (the entity named above) supply the following information and documents to support our application for admission to the official list of ASX Limited (ASX) as an ASX Listing.

***Note:** the entity warrants in its Appendix 1A ASX Listing Application and Agreement that the information and documents referred to in this Information Form and Checklist are (or will be) true and complete and indemnifies ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from, or connected with, any breach of that warranty.*

Any Annexures to this Information Form and Checklist form part of the Information Form and Checklist and are covered by the warranty referred to above.

Terms used in this Information Form and Checklist and in any Annexures have the same meaning as in the ASX Listing Rules.

Part 1 – Key Information

Instructions: please complete each applicable item below. If an item is not applicable, please mark it as "N/A".

All entities – corporate details¹

Place of incorporation or establishment	New South Wales, Australia
Date of incorporation or establishment	8 May 2014
Legislation under which incorporated or established	Corporations Act, 2001 (Cth)
Address of registered office in place of incorporation or establishment	Level 4, Domain House, 139 Macquarie Street, Sydney, NSW, 2000
Main business activity	Investment Company
Other exchanges on which the entity is listed	Not Applicable
Street address of principal administrative office	Level 4, Domain House, 139 Macquarie Street, Sydney, NSW, 2000
Postal address of principal administrative office	Level 4, Domain House, 139 Macquarie Street, Sydney, NSW, 2000
Telephone number of principal administrative office	(02) 8064 0568
E-mail address for investor enquiries	sevans@naos.com.au.

¹ If the entity applying for admission to the official list is a stapled structure, please provide these details for each entity comprising the stapled structure.

Website URL	www.naos.com.au
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All entities – management details²

Full name and title of CEO/managing director	Not Applicable
Full name and title of chairperson of directors	David Rickards
Full names of all existing directors	David Rickards, Warwick Evans and Sebastian William Evans
Full names of any persons proposed to be appointed as additional or replacement directors	Not Applicable
Full name and title of company secretary	Sebastian Williams Evans, Director and Secretary

All entities – ASX contact details³

Full name and title of ASX contact(s)	Sebastian Williams Evans
Business address of ASX contact(s)	Address: Level 4, Domain House, 139 Macquarie Street, Sydney NSW 2000
Business phone number of ASX contact(s)	Phone: 02 9477 2566 Facsimile: 02 8064 0510
Mobile phone number of ASX contact(s)	Mobile: 0413 804 798
Email address of ASX contact(s)	sevens@naos.com.au

All entities – auditor details⁴

Full name of auditor	Deloitte Touche Tohmatsu A.B.N. 74 490 121 060
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All entities – registry details⁵

Name of securities registry	Boardroom Pty Limited A.B.N. 14 003 209 836
Address of securities registry	Level 7/207 Kent Street, Sydney, NSW, 2000

² If the entity applying for admission to the official list is a trust, enter the management details for the responsible entity of the trust.

³ Under Listing Rule 1.1 Condition 12, a listed entity must appoint a person responsible for communication with ASX. You can appoint more than one person to cater for situations where the primary nominated contact is not available.

⁴ In certain cases, ASX may require the applicant to provide information about the qualifications and experience of its auditor for release to the market before quotation commences (Guidance Note 1 section 2.8).

⁵ If the entity has different registries for different classes of securities, please indicate clearly which registry details apply to which class of securities.

Phone number of securities registry	1300 737 760
Fax number of securities registry	1300 653 459
Email address of securities registry	enquires@boardroomlimited.com.au
Type of subregisters the entity will operate ⁶	CHESS and issuer sponsored sub-registers

All entities – key dates

Annual balance date	30 June
Month in which annual meeting is usually held (or intended to be held) ⁷	November
Months in which dividends or distributions are usually paid (or are intended to be paid)	Refer to Section 2.8 of the Prospectus at Tab 1. It is intended that Dividends will be paid at the end of the first financial year and after that, half yearly.

Trusts – additional details

Name of responsible entity	Not Applicable
Duration of appointment of directors of responsible entity	Not Applicable
Full names of the members of the compliance committee (if any)	Not Applicable

Entities incorporated or established outside Australia – additional details

Name and address of the entity's Australian agent for service of process	Not Applicable
If the entity has or intends to have a certificated subregister for quoted securities, the location of the Australian subregister	Not Applicable
Address of registered office in Australia (if any)	Not Applicable

Entities listed or to be listed on another exchange or exchanges

Name of the other exchange(s) where the entity is or proposes to be listed	Not Applicable
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⁶ Example: CHESS and issuer sponsored subregisters.

⁷ May not apply to some trusts.

Is the ASX listing intended to be the entity's primary or secondary listing

Not Applicable

Part 2 – Checklist Confirming Compliance with Admission Requirements

Instructions: please indicate in the "Location/Confirmation" column for each item below and in any Annexures where the information or document referred to in that item is to be found (eg in the case of information, the specific page reference in the Offer Document where that information is located or, in the case of a document, the folder tab number where that document is located). If the item asks for confirmation of a matter, you may simply enter "Confirmed" in the "Location/Confirmation" column. If an item is not applicable, please mark it as "N/A".

In this regard, it will greatly assist ASX and speed up its review of the application if the various documents referred to in this Checklist and any Annexures (other than the 25 copies of the applicant's Offer Document referred to in item 4) are provided in a folder separated by numbered tabs and if the entity's constitution and copies of all material contracts are provided both in hard copy and in electronic format.

Note that completion of this Checklist and any Annexures is not to be taken to represent that the entity is necessarily in full or substantial compliance with the ASX Listing Rules or that ASX will admit the entity to its official list. Admission to the official list is in ASX's absolute discretion and ASX may refuse admission without giving any reasons (see Listing Rule 1.19).

A reference in this Checklist and in any Annexures to the "Offer Document" means the listing prospectus, product disclosure statement or information memorandum lodged by the applicant with ASX pursuant to Listing Rule 1.1 Condition 3.

If the applicant lodges a supplementary or replacement prospectus, product disclosure statement or information memorandum with ASX, ASX may require it to update this Checklist and any Annexures by reference to that document.

All entities – key supporting documents

No	Item	Location/Confirmation
1.	A copy of the entity's certificate of incorporation, certificate of registration or other evidence of status (including any change of name)	Please to refer Tab 2
2.	A copy of the entity's constitution (Listing Rule 1.1 Condition 1A) ⁸	Please refer to Tab 3
3.	Either: (a) confirmation that the entity's constitution includes the provisions of Appendix 15A or Appendix 15B (as applicable); or (b) a completed checklist that the constitution complies with the Listing Rules (Listing Rule 1.1 Condition 2) ⁹	Please refer to Tab 4
4.	An electronic version and 25 copies of the Offer Document, as lodged with ASIC (Listing Rule 1.1 Condition 3)	Please refer to Tab 5
5.	If the entity's corporate governance statement ¹⁰ is included in its Offer Document, the page reference where it is included. Otherwise, a copy of the entity's corporate governance statement (Listing Rule 1.1 Condition 13)	Please refer to Tab 6
6.	If the entity will be included in the S & P All Ordinaries Index on admission to the official list, ¹¹ where in its Offer Document does it state that it will have an audit committee (Listing Rule 1.1 Condition 13)	Not Applicable

⁸ It will assist ASX if the copy of the constitution is provided both in hard copy and in electronic format.

⁹ An electronic copy of the checklist is available from the ASX Compliance Downloads page on ASX's website.

¹⁰ The entity's "corporate governance statement" is the statement disclosing the extent to which the entity will follow, as at the date of its admission to the official list, the recommendations set by the ASX Corporate Governance Council. If the entity does not intend to follow all the recommendations on its admission to the official list, the entity must separately identify each recommendation that will not be followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it intends to adopt in lieu of the recommendation.

¹¹ If the entity is unsure whether they will be included in the S & P All Ordinaries Index on admission to the official list, they should contact ASX or S & P.

No	Item	Location/Confirmation
7.	If the entity will be included in the S & P / ASX 300 Index on admission to the official list, ¹² where in its Offer Document does it state that it will comply with the recommendations set by the ASX Corporate Governance Council in relation to composition and operation of the audit committee (Listing Rule 1.1 Condition 13)	Not Applicable
8.	Original executed agreement with ASX that documents may be given to ASX and authenticated electronically (Listing Rule 1.1 Condition 14) ¹³	Please see Tab 7
9.	If the entity's trading policy is included in its Offer Document, the page reference where it is included. Otherwise, a copy of the entity's trading policy (Listing Rule 1.1 Condition 15)	Please see Tab 8
10.	If the entity will be included in the S & P / ASX 300 Index on admission to the official list, ¹⁴ where in its Offer Document does it state that it will have a remuneration committee comprised solely of non-executive directors (Listing Rule 1.1 Condition 16)	Not Applicable
11.	For each director or proposed director, ¹⁵ a list of the countries in which they have resided over the past 10 years (Listing Rule 1.1 Condition 17 and Guidance Note 1 section 3.15) ¹⁶	David Rickards – Australia Sebastian William Evans – Australia Warwick Evans – Australia
12.	For each director or proposed director who is or has in the past 10 years been a resident of Australia, an original or certified true copy of a national criminal history check obtained from the Australian Federal Police, a State or Territory police service or a broker accredited by CrimTrac which is not more than 12 months old (Listing Rule 1.1 Condition 17 and Guidance Note 1 section 3.15)	Please refer to Tab 9
13.	For each director or proposed director who is or has in the past 10 years been a resident of a country other than Australia, an original or certified true copy of an equivalent national criminal history check to that mentioned in item 12 above for each country in which the director has resided over the past 10 years (in English or together with a certified English translation) which is not more than 12 months old or, if such a check is not available in any such country, a statutory declaration from the director confirming that fact and that he or she has not been convicted in that country of: (a) any criminal offence involving fraud, dishonesty, misrepresentation, concealment of material facts or breach of director's duties; or (b) any other criminal offence which at the time carried a maximum term of imprisonment of five years or more (regardless of the period, if any, for which he or she was sentenced), or, if that is not the case, a statement to that effect and a detailed explanation of the circumstances involved (Listing Rule 1.1 Condition 17 and Guidance Note 1 section 3.15)	Not Applicable

¹² If the entity is unsure whether they will be included in the S & P / ASX 300 Index on admission to the official list, they should contact ASX or S & P.

¹³ An electronic copy of the ASX *Online Agreement* is available from the ASX Compliance Downloads page on ASX's website.

¹⁴ If the entity is unsure whether they will be included in the S & P / ASX 300 Index on admission to the official list, they should contact ASX or S & P.

¹⁵ If the entity applying for admission to the official list is a trust, references in items 11, 12, 13, 14 and 15 to a director or proposed director mean a director or proposed director of the responsible entity of the trust.

¹⁶ The information referred to in items 11, 12, 13, 14 and 15 is required so that ASX can be satisfied that the director or proposed director is of good fame and character under Listing Rule 1 Condition 17.

No	Item	Location/Confirmation
14.	For each director or proposed director who is or has in the past 10 years been a resident of Australia, an original or certified true copy of a search of the Australian Financial Security Authority National Personal Insolvency Index which is not more than 12 months old (Listing Rule 1.1 Condition 17 and Guidance Note 1 section 3.15)	Please refer to Tab 10
15.	For each director or proposed director who is or has in the past 10 years been a resident of a country other than Australia, an original or certified true copy of an equivalent national bankruptcy check to that mentioned in item 14 above for each country in which the director has resided over the past 10 years (in English or together with a certified English translation) which is not more than 12 months old or if such a check is not available in any such country, a statutory declaration from the director confirming that fact and that he or she has not been declared a bankrupt or been an insolvent under administration in that country or, if that is not the case, a statement to that effect and a detailed explanation of the circumstances involved (Listing Rule 1.1 Condition 17 and Guidance Note 1 section 3.15)	Not Applicable
16.	<p>A statutory declaration from each director or proposed director confirming that:</p> <ul style="list-style-type: none"> (a) the director has not been the subject of any criminal or civil penalty proceedings or other enforcement action by any government agency in which he or she was found to have engaged in behaviour involving fraud, dishonesty, misrepresentation, concealment of material facts or breach of duty; (b) the director has not been refused membership of, or had their membership suspended or cancelled by, any professional body on the ground that he or she has engaged in behaviour involving fraud, dishonesty, misrepresentation, concealment of material facts or breach of duty; (c) the director has not been the subject of any disciplinary action (including any censure, monetary penalty or banning order) by a securities exchange or other authority responsible for regulating securities markets for failure to comply with his or her obligations as a director of a listed entity; (d) no listed entity of which he or she was a director (or, in the case of a listed trust, in respect of which he or she was a director of the responsible entity) at the time of the relevant conduct has been the subject of any disciplinary action (including any censure, monetary penalty, suspension of trading or termination of listing) by a securities exchange or other authority responsible for regulating securities markets for failure to comply with its obligations under the Listing Rules applicable to that entity; and (e) the director is not aware of any pending or threatened investigation or enquiry by a government agency, professional body, securities exchange or other authority responsible for regulating securities markets that could lead to proceedings or action of the type described in (a), (b), (c) or (d) above, <p>or, if the director is not able to give such confirmation, a statement to that effect and a detailed explanation of the circumstances involved (Listing Rule 1.1 Condition 17 and Guidance Note 1 section 3.15)</p>	Please refer to Tab 11
17.	A specimen certificate/holding statement for each class of securities to be quoted or a specimen holding statement for CDIs (as applicable)	Please see Tab 12

- | Nº | Item | Location/Confirmation |
|-----|--|-----------------------|
| 18. | <p>Payment for the initial listing fee.¹⁷</p> <p>Refer to ASX Guidance Notes 15 and 15A for the fees payable on the application. You can also use the ASX online equity listing fees calculator:
 http://www.asx.com.au/professionals/cost-listing.htm</p> | Previously Paid |

All entities – capital structure

19. Where in the Offer Document is there a table showing the existing and proposed capital structure of the entity, broken down as follows:
- (a) the number and class of each equity security and each debt security currently on issue; and
 - (b) the number and class of each equity security and each debt security proposed to be issued between the date of this application and the date the entity is admitted to the official list; and
 - (c) the resulting total number of each class of equity security and debt security proposed to be on issue at the date the entity is admitted to the official list; and
 - (d) the number and class of each equity security proposed to be issued following admission in accordance with material contracts or agreements?

Note: This applies whether the securities are quoted or not. If the entity is proposing to issue a minimum, maximum or oversubscription number of securities, the table should be presented to disclose each scenario.

See Financial Information on page 32 of the Replacement Prospectus dated 26 September 2014 and enclosed pro forms Statement of Financial Position (showing amounts of funds raised)

See Tables on page 41 of the Prospectus regarding potential number of options to be issued under the offer

20. For each class of securities referred to in the table mentioned in item 19, where in the Offer Document does it disclose the terms applicable to those securities?

Note: This applies whether the securities are quoted or not.

For equity securities (other than options to acquire unissued securities or convertible debt securities), this should state whether they are fully paid or partly paid; if they are partly paid, the amount paid up and the amount owing per security; voting rights; rights to dividends or distributions; and conversion terms (if applicable).

For options to acquire unissued securities, this should state the number outstanding, exercise prices and expiry dates.

For debt securities or convertible debt securities, this should state their nominal or face value; rate of interest; dates of payment of interest; date and terms of redemption; and conversion terms (if applicable).

See Section 9.3 on page 47 of the Replacement Prospectus dated 26 September 2014 for ordinary shares
 See Section 9.4 on page 47 of the Replacement Prospectus for options

21. If the entity has granted, or proposes to grant, any rights to any person, or to any class of persons (other than through the holding of securities referred to in the table mentioned in item 19), to participate in an issue of the entity's securities, where in the Offer Document are details of those rights set out?

Yes – Options to be granted to the Manager (NAOS Asset Management Ltd) see section 8.1 of the Replacement Prospectus dated 26 September 2014 on pages 40-42.

22. Details of all issues of securities (in all classes) in the last 5 years and the consideration received by the entity for such issues

See Section 9.7 and Table A on page 48 of the Replacement Prospectus dated 26 September 2014

23. A copy of every prospectus, product disclosure statement or information memorandum issued by the entity in connection with any issue of securities (in all classes) in the last 5 years

Please see enclosed copy of replacement prospectus dated 26 September 2014

¹⁷ Payment can be made either by cheque made payable to ASX Operations Pty Ltd or by electronic funds transfer to the following account:

Bank: National Australia Bank
 Account Name: ASX Operations Pty Ltd
 BSB: 082 057
 A/C: 494728375
 Swift Code (Overseas Customers): NATAAU3202S

If payment is made by electronic funds transfer, please email your remittance advice to ar@asx.com.au or fax it to (612) 9227-0553, describing the payment as the "initial listing fee" and including the name of the entity applying for admission, the ASX home branch where the entity has lodged its application (ie Sydney, Melbourne or Perth) and the amount paid.

Nº	Item	Location/Confirmation
24.	A copy of any court order in relation to a reorganisation of the entity's capital in the last 5 years	Not Applicable
25.	Where in the Offer Document does it confirm that the issue/sale price of all securities for which the entity seeks quotation is at least 20 cents in cash (Listing Rule 2.1 Condition 2)?	Section 1.2 of the Replacement Prospectus dated 26 September 2014
26.	If the entity has or proposes to have any options on issue, where in the Offer Document does it confirm that the exercise price for each underlying security is at least 20 cents in cash (Listing Rule 1.1 Condition 11)?	Section 1.2 of the Replacement Prospectus dated 26 September 2014
27.	If the entity has any partly paid securities and it is not a no liability company, where in the Offer Document does it disclose the entity's call program, including the date and amount of each proposed call and whether it allows for any extension for payment of a call (Listing Rule 2.1 Condition 4)?	Not Applicable
28.	If the entity's free float at the time of listing is less than 10%, where in the Offer Document does it outline the entity's plans to increase that percentage to at least 10% and the timeframe over which it intends to do that (Guidance Note 1 sections 3.1 and 3.3)?	Not Applicable
29.	If the entity has or proposes to have any debt securities or convertible debt securities on issue, a copy of any trust deed applicable to those securities	Not Applicable
30.	Is the entity is proposing to offer any securities by way of a bookbuild? If so, please enter "Confirmed" in the column to the right to indicate that the entity is aware of the disclosure requirements for bookbuilds in the Annexure to Guidance Note 1	Not Applicable

All entities – other information and documents

31.	Where in the Offer Document is there a description of the history of the entity?	The Company was incorporated on 8 May 2014 throughout the Replacement Prospectus dated 26 September 2014 reference is made to the Company's short history as noted on the following pages of the Prospectus see pages 5, 8, 26, 47 (Section 9.1)
32.	Where in the Offer Document is there a description of the entity's existing and proposed activities and level of operations?	See sections 1.4 and 2 of the Replacement Prospectus dated 26 September 2014
33.	Where in the Offer Document is there a description of the key features of the entity's business model (ie how it makes or intends to make a return for investors or otherwise achieve its objectives)?	See section 2 particularly sections 2.2, 2.3, 2.4, 2.5, 2.6 of the Replacement Prospectus dated 26 September 2014
34.	Where in the Offer Document is there a description of the material business risks the entity faces?	See section 4 of the Replacement Prospectus dated 26 September 2014
35.	If the entity has any child entities, where in the Offer Document is there a list of all child entities stating, in each case, the name, the nature of its business and the entity's percentage holding in it?	Not Applicable

Nº	Item	Location/Confirmation
36.	If the entity has any investments in associated entities for which it will apply equity accounting, where in the Offer Document is there a list of all associated entities stating, in each case, the name, the nature of its business and the entity's percentage holding in it?	Not Applicable
37.	Where in the Offer Document is there a description of the entity's proposed dividend/distribution policy?	See Section 2.9 of the Replacement Prospectus dated 26 September 2014
38.	Does the entity have or propose to have a dividend or distribution reinvestment plan?	Yes
	If so, where are the existence and main terms of the plan disclosed in the Offer Document?	Section 9.5 of the Replacement Prospectus dated 26 September 2014
	A copy of the terms of the plan	Please refer to Tab 13
39.	Does the entity have or propose to have an employee incentive scheme?	No
	If so, where are the existence and main terms of the scheme disclosed in the Offer Document?	Not Applicable
	Where in the Offer Document is there a statement as to whether directors ¹⁸ are entitled to participate in the scheme and, if they are, the extent to which they currently participate or are proposed to participate?	Not Applicable
	A copy of the terms of the scheme	Not Applicable
40.	Has the entity entered into any material contracts (including any underwriting agreement relating to the securities to be quoted on ASX)? ¹⁹	Yes
	If so, where are the existence and main terms of those material contracts disclosed in the Offer Document?	Section 8 of the Replacement Prospectus dated 26 September 2014
	Copies of all of the material contracts referred to in the Offer Document	Please refer to Tab 14 - Management Agreement and copy of Officer Protection Deed between the Company and Sebastian Evans. A deed in the same form has been entered with all of the Company's Officers.

¹⁸ If the entity applying for admission to the official list is a trust, references to a director mean a director of the responsible entity of the trust.

¹⁹ It will assist ASX if the material contracts are provided both in hard copy and in electronic format.

No	Item	Location/Confirmation
41.	<p>If the following information is included in the Offer Document, the page reference where it is included. Otherwise, either a summary of the material terms of, or a copy of, any employment, service or consultancy agreement the entity or a child entity has entered into with:</p> <p>(a) its chief executive officer (or equivalent)</p> <p>(b) any of its directors or proposed directors; or</p> <p>(c) any other person or entity who is a related party of the persons referred to in (a) or (b) above (Listing Rule 3.16.4).</p> <p>Note: if the entity applying for admission to the official list is a trust, references to a chief executive officer, director or proposed director mean a chief executive officer, director or proposed director of the responsible entity of the trust. However, the entity need not provide a summary of the material terms of, or a copy of, any employment, service or consultancy agreement the responsible entity or a related entity has entered into with any of the persons referred to in (a), (b) or (c) above if the costs associated with the agreement are borne by the responsible entity or the related entity from out of its own funds rather than from out of the trust.</p>	<p>Please refer to section 8 of the Replacement Prospectus dated 26 September 2014 at pages 39-45</p>
42.	<p>Please enter "Confirmed" in the column to the right to indicate that the material contracts summarised in the Offer Document include, in addition to those mentioned in item 41, any other material contract(s) the entity or a child entity has entered into with:</p> <p>(a) its chief executive officer (or equivalent)</p> <p>(b) any of its directors or proposed directors; or</p> <p>(c) any other person or entity who is a related party of the persons referred to in (a) or (b) above</p>	<p>Confirmed</p>
43.	<p>Please enter "Confirmed" in the column to the right to indicate that all information that a reasonable person would expect to have a material effect on the price or value of the securities to be quoted is included in or provided with this Information Form and Checklist</p>	<p>Confirmed</p>
44.	<p>A copy of the entity's most recent annual report</p>	<p>Not Applicable (Company was formed on 8 May 2014)</p>
<p>Entities that are trusts</p>		
45.	<p>Evidence that the entity is a registered managed investment scheme (Listing Rule 1.1 Condition 5)</p>	<p>Not Applicable</p>
46.	<p>Please enter "Confirmed" in the column to the right to indicate that the responsible entity is not under an obligation to allow a security holder to withdraw from the trust (Listing Rule 1.1 Condition 5)</p>	<p>Not Applicable</p>
<p>Entities applying under the profit test (Listing Rule 1.2)</p>		
47.	<p>Evidence that the entity is a going concern or the successor of a going concern (Listing Rule 1.2.1)</p>	<p>Not Applicable</p>
48.	<p>Evidence that the entity has been in the same main business activity for the last 3 full financial years (Listing Rule 1.2.2)</p>	<p>Not Applicable</p>
49.	<p>Audited accounts for the last 3 full financial years and audit reports (Listing Rule 1.2.3(a))</p>	<p>Not Applicable</p>
50.	<p>If last financial year ended more than 8 months before the date of this application, accounts for the last half year (or longer period if available) and audit report or review (Listing Rule 1.2.3(b))</p>	<p>Not Applicable</p>

No Item	Location/Confirmation
51. A pro forma statement of financial position and review (Listing Rule 1.2.3(c)) ²⁰	Please refer to Tab 15
52. Evidence that the entity's aggregated profit from continuing operations for the last 3 full financial years has been at least \$1 million (Listing Rule 1.2.4)	Not Applicable
53. Evidence that the entity's profit from continuing operations in the past 12 months to a date no more than 2 months before the date of this application has exceeded \$400,000 (Listing Rule 1.2.5)	Not Applicable
54. A statement from all directors ²¹ confirming that they have made enquiries and nothing has come to their attention to suggest that the entity is not continuing to earn profit from continuing operations up to the date of the application (Listing Rule 1.2.5A)	Not Applicable

Entities applying under the assets test (Listing Rule 1.3)

55. Evidence that the entity: <ul style="list-style-type: none"> (a) has, if the entity that is not an investment entity, net tangible assets of at least \$3 million (after deducting the costs of fund raising) or a market capitalisation of at least \$10 million; or (b) has, if the entity that is an investment entity other than pooled development fund, net tangible assets of at least \$15 million; or (c) is a pooled development fund with net tangible assets of at least \$2 million (Listing Rule 1.3.1 and 1.3.1A) 	Please see pro forma statement of financial position at 7 November 2014 and refer to sections 6 and 7 of the Replacement Prospectus dated 26 September 2014.
56. Evidence that: <ul style="list-style-type: none"> (a) at least half of the entity's total tangible assets (after raising any funds) is not cash or in a form readily convertible to cash;²² or (b) there are commitments to spend at least half of the entity's cash and assets in a form readily convertible to cash (Listing Rule 1.3.2) 	Not Applicable
57. Is there a statement in the Offer Document that there is enough working capital to carry out the entity's stated objectives. If so, where is it? If not, attach a statement by an independent expert confirming that the entity has enough working capital to carry out its stated objectives (Listing Rule 1.3.3(a))?	Not Applicable
58. Evidence that the entity's working capital is at least \$1.5 million or, if it is not, that it would be at least \$1.5 million if the entity's budgeted revenue for the first full financial year that ends after listing was included in the working capital (Listing Rule 1.3.3(b))? ²³	Not Applicable
59. Accounts for the last 3 full financial years (or shorter period if ASX agrees) and the audit report or review or a statement that the accounts are not audited or not reviewed (Listing Rule 1.3.5(a) first bullet point)	Not Applicable – Company formed on 8 May 2014

²⁰ Note: the review must be conducted by a registered company auditor (or if the entity is a foreign entity, an overseas equivalent of a registered company auditor) or independent accountant.

²¹ If the entity applying for admission to the official list is a trust, the statement should come from all directors of the responsible entity of the trust.

²² In deciding if an entity's total tangible assets are in a form readily convertible to cash, ASX would normally not treat inventories or receivables as readily convertible to cash.

²³ For mining exploration entities and oil and gas exploration entities, the amount must be available after allowing for the first full financial year's budgeted administration costs and the cost of acquiring plant, equipment, mining tenements and/or petroleum tenements. The cost of acquiring mining tenements and/or petroleum tenements includes the cost of acquiring and exercising an option over them.

Nº	Item	Location/Confirmation
60.	If last financial year ended more than 8 months before the date of this application, accounts for the last half year (or longer period if available) and the audit report or review or a statement that the half year accounts not audited or not reviewed (Listing Rule 1.3.5(a) second bullet point)	Not Applicable
61.	A pro forma statement of financial position and review (Listing Rule 1.3.5(c)) ²⁴	Please see pro forma statement of financial position as at 7 November 2014

Entities with restricted securities

62.	A statement setting out a list of any person (either on their own or together with associates) who has held a relevant interest in at least 10% of the entity's voting securities at any time in the 12 months before the date of this application	As disclosed in section 9.7 of the Replacement Prospectus dated 26 September 2014, before the issue of securities under the Replacement Prospectus, the Company sole shareholder was David Rickards (Chair of the Board of Directors) who held one fully paid ordinary share in the Company
63.	A completed ASX Restricted Securities Table ²⁵	Not Applicable
64.	Copies of all restriction agreements (Appendix 9A) entered into in relation to restricted securities ²⁶	Not Applicable
65.	Copies of all undertakings issued by any bank, recognised trustee or the provider of registry services to the entity in relation to such restriction agreements	Not Applicable

²⁴ Note: the review must be conducted by a registered company auditor (or if the Entity is a foreign entity, an overseas equivalent of a registered company auditor) or independent accountant.

²⁵ An electronic copy of the ASX Restricted Securities Table is available from the ASX Compliance Downloads page on ASX's website.

²⁶ Note: ASX will advise which restricted securities are required to be escrowed under Listing Rule 9.1.3 as part of the admission and quotation decision. If properly completed restriction agreements and related undertakings have not been provided for all such securities advised by ASX, that will need to be rectified prior to admission occurring and quotation commencing.

Entities (other than mining exploration entities and oil and gas exploration entities) with classified assets²⁷

66. Within the 2 years preceding the date of the entity's application for admission to the official list, has the entity acquired, or entered into an agreement to acquire, a classified asset?

Not Applicable

If so, where in the Offer Document does it disclose:

- the date of the acquisition or agreement;
- full details of the classified asset, including any title particulars;
- the name of the vendor;
- if the vendor was not the beneficial owner of the classified asset at the date of the acquisition or agreement, the name of the beneficial owner(s);
- details of the relationship between the vendor (or, if the vendor was not the beneficial owner of the tenement at the date of the acquisition or agreement, between the beneficial owner(s)) and the entity or any related party or promoter of the entity; and
- details of the purchase price paid or payable and all other consideration (whether legally enforceable or not) passing directly or indirectly to the vendor.

Not Applicable

Is the vendor (or, if the vendor was not the beneficial owner of the classified asset at the date of the acquisition or agreement, is any of the beneficial owner(s)) a related party or promoter of the entity?

If so, please enter "Confirmed" in the column to the right to indicate that the consideration paid by the entity for the classified asset was solely restricted securities, save to the extent it involved the reimbursement of expenditure incurred in developing the classified asset²⁸ or the entity was not required to apply the restrictions in Appendix 9B under Listing Rule 9.1.3 (Listing Rule 1.1 Condition 10)

Not Applicable

Please also provide a copy of the agreement(s) relating to the acquisition entered into by the entity and any expert's report or valuation obtained by the entity in relation to the acquisition

Not Applicable

Mining entities

67. A completed Appendix 1A Information Form and Checklist Annexure I (Mining Entities)²⁹

Not Applicable

²⁷ A "classified asset" is defined in Listing Rule 19.12 as:

- (a) an interest in a mining exploration area or oil and gas exploration area or similar tenement or interest;
- (b) an interest in intangible property that is substantially speculative or unproven, or has not been profitably exploited for at least three years, and which entitles the entity to develop, manufacture, market or distribute the property;
- (c) an interest in an asset which, in ASX's opinion, cannot readily be valued; or
- (d) an interest in an entity the substantial proportion of whose assets (held directly, or through a controlled entity) is property of the type referred to in paragraphs (a), (b) and (c) above.

²⁸ ASX may require evidence to support expenditure claims.

²⁹ An electronic copy of Appendix 1A Information Form and Checklist Annexure I (Mining Entities) is available from the ASX Compliance Downloads page on ASX's website.

Nº Item

Location/Confirmation

Oil and gas entities

68. A completed Appendix 1A Information Form and Checklist Annexure II (Oil and Gas Entities)³⁰

Not Applicable

Entities incorporated or established outside of Australia

69. A completed Appendix 1A Information Form and Checklist Annexure III (Foreign Entities)³¹

Not Applicable

Externally managed entities

70. A completed Appendix 1A Information Form and Checklist Annexure IV (Externally Managed Entities)³²

Please refer to Tab 16

Stapled entities

71. A completed Appendix 1A Information Form and Checklist Annexure V (Stapled Entities)³³

Not Applicable

Further documents to be provided before admission to the official list

Please note that in addition to the information and documents mentioned above, all entities will be required to provide the following before their admission to the official list and the quotation of their securities commences:

- A statement setting out the names of the 20 largest holders in each class of securities to be quoted, and the number and percentage of each class of securities held by those holders;
- A distribution schedule of each class of equity securities to be quoted, setting out the number of holders in the categories:
 - 1 - 1,000
 - 1,001 - 5,000
 - 5,001 - 10,000
 - 10,001 - 100,000
 - 100,001 and over
- The number of holders of a parcel of securities (excluding restricted securities) with a value of more than \$2,000, based on the issue/sale price;
- Any outstanding restriction agreements (Appendix 9A) and related undertakings;³⁴ and
- Any other information that ASX may require under Listing Rule 1.17.³⁵

³⁰ An electronic copy of Appendix 1A Information Form and Checklist Annexure II (Oil & Gas Entities) is available from the ASX Compliance Downloads page on ASX's website.

³¹ An electronic copy of Appendix 1A Information Form and Checklist Annexure III (Foreign Entities) is available from the ASX Compliance Downloads page on ASX's website.

³² An electronic copy of Appendix 1A Information Form and Checklist Annexure IV (Externally Managed Entities) is available from the ASX Compliance Downloads page on ASX's website.

³³ An electronic copy of Appendix 1A Information Form and Checklist Annexure V (Stapled Entities) is available from the ASX Compliance Downloads page on ASX's website.

³⁴ See note 26 above.

³⁵ Among other things, this information may include evidence (such as copies of the entity's share register, bank statements, application forms and cheques) to demonstrate compliance with the minimum spread requirements in Listing Rule 1 Condition 7.

Information Form and Checklist

Annexure IV (Externally Managed Entities)

Name of entity

ABN/ARBN/ARSN

NAOS Absolute Opportunities Company Ltd

49 169 448 837

This Annexure forms part of the Information Form and Checklist supplied by the entity named above to support its application for admission to the official list of ASX Limited (ASX) as an ASX Listing.

No Item

Location

1. A copy of the management agreement between the entity and its manager

Attached

2. Where in the Offer Document does it include a summary of the management agreement that clearly discloses the applicant's investment mandate; services to be provided; duration of the agreement; rights of extension or renewal; termination circumstances; fees; exclusivity; discretions; related party protocols; and change of control provisions (Guidance Note 26 section 11)?

This primarily contained in sections 2.3, 2.4, 2.5, 2.6, 2.7, 2.8 and 8.1 of the Replacement Prospectus dated 26 September 2014.

3. Is the entity an "investment entity" (other than a pooled development fund)?¹

If so, where in the management agreement does it provide that the manager may only end the management agreement if it has given at least 3 months' notice (Listing Rule 15.16(a))?

Clause 11.2 of the Management Agreement

Does the management agreement provide for a fixed term?

If so, where in the management agreement does it state the term is for not more than 5 years (Listing Rule 15.16(b))?

Yes
Clause 11.1(a) the Initial Term of the Management Agreement is for 10 years. The Company has been granted a waiver of ASX Listing Rule 15.16(b))

Where in the management agreement does it provide that if it is extended past 5 years, it will be ended on 3 months' notice after an ordinary resolution is passed to end it (Listing Rule 15.16(c))?

Clause 11.3(a)(ii)

¹ An entity is an "investment entity" if, in ASX's opinion, (a) its activities or the principal part of its activities consist of investing (directly or through a child entity) in listed or unlisted securities or futures contracts; and (b) its objectives do not include exercising control over or managing any entity, or the business of any entity, in which it invests.

First Amendment to the Management Agreement dated 26 August 2014

NAOS Absolute Opportunities Company Ltd
(A.B.N. 49 169 448 837)

NAOS Asset Management Limited
(A.B.N. 23 107 624 126)

This First Amendment to the Management Agreement dated 26 August 2014 is made on 25th September 2014

Parties:

1. **NAOS Absolute Opportunities Company Ltd** (A.B.N 49 169 448 837) of Level 4, Domain House, 139 Macquarie Street, Sydney NSW 2000 ("Company");
2. **NAOS Asset Management Limited** (A.B.N: 23 107 624 126) of Level 4, Domain House, 139 Macquarie Street, Sydney NSW 2000 ("Manager").

Recitals:

- A. On 26 August 2014, the Company and the Manager entered in a Management Agreement, a copy of which is contained in Annexure A to this agreement.
- B. The parties wish to change the calculation of Performance Fees payable by the Company to the Manager under the Management Agreement to be more favourable to the Company.

1. OPERATIVE PROVISIONS

- 1.1. The Company and the Manager hereby agree to amend clause 10.2(a) of the Management Agreement dated 26 August 2014 as follows:

"FV is the value of the Portfolio (after deducting the Management Fee for the relevant Performance Calculation Period) calculated on the last Business Day of the relevant Performance Calculation Period; and
- 1.2. The Company and the Manager hereby agree to amend clause 10.2(b) of the Management Agreement dated 26 August 2014 as follows:

"If the Value of the Portfolio (after deducting the Management Fee for the relevant Performance Calculation Period) calculated on the last Business Day of the relevant Performance Calculation Period (FV) is less than the aggregate of:"
- 1.3. The Company and the Manager hereby agree to amend clause 10.2(d)(ii) of the Management Agreement dated 26 August 2014 as follows:

"(ii) thereafter and subject to Clause 10.2(d)(iii), the period from the first day after the preceding Performance Calculation Period to 30 June of the next calendar year;"
- 1.4. The parties agree that all other provisions of the Management Agreement dated 26 August 2014 remain operative and unchanged.
- 1.5. The parties agree that the Recitals form part of this agreement and the parties warrant their truth and accuracy.

[The remainder of this page is intentionally left blank]

Executed by the Parties as an Agreement:

SIGNED by
 NAOS Absolute Opportunities Company
 Ltd (A.C.N. 169 448 837) in accordance
 with section 127 of the Corporations Act:



Director



Name (please print)

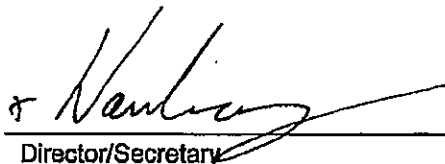
SIGNED by
 NAOS Asset Management Limited
 (A.C.N. 107 624 126) in accordance with
 section 127 of the Corporations Act:



Director



Name (please print)



Director/Secretary

+ WARWICK EVANS

Name (please print)



Director/Secretary

+ WARWICK EVANS

Name (please print)

Annexure A

Copy of Management Agreement dated 26 August 2014

Management Agreement

NAOS Absolute Opportunities Company Ltd
(A.B.N. 49 169 448 837)

NAOS Asset Management Limited
(A.B.N. 23 107 624 126)

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This Management Agreement is made on 26th August 2014

Parties:

1. **NAOS Absolute Opportunities Company Ltd** (A.B.N 49 169 448 837) of Level 4, Domain House, 139 Macquarie Street, Sydney NSW 2000 ("Company");
2. **NAOS Asset Management Limited** (A.B.N: 23 107 624 126) of Level 4, Domain House, 139 Macquarie Street, Sydney NSW 2000 ("Manager").

Recitals:

- A. The Company proposes to carry on the business of making, holding and disposing of Investments in Securities and other permitted Investments.
- B. The Company has agreed to appoint the Manager to manage the investment portfolio of the Company with effect from the Commencement Date and the Manager has agreed to accept its appointment to manage the investment portfolio of the Company on the terms and conditions contained in this Agreement.

1. Definitions and Interpretation

1.1. Definitions

In this Agreement, unless a contrary intention appears:

Applicable Regulations means any statute, regulation, by-law, ordinance or other determination of any Government Agency with the force of law in any jurisdiction in which:

- (a) the Company holds any Investments;
- (b) the Manager acquires Investments on behalf of the Company; or
- (c) the Manager provides services for the benefit of the Company under this Agreement,

Including the Corporations Act and, while the Company is a Listed Company, the ASX Listing Rules as they apply to the Company for the purposes of this Agreement.

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

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited. A.B.N: 98 008 624 691.

ASX Listing Rules means the listing rules of the ASX, any other rules of the ASX and any successor to the ASX, which are applicable while the Company is admitted to the Official List of the ASX, each as amended or replaced from time to time, except to the extent of any express written waiver by the ASX.

Benchmark Rate means the Reserve Bank of Australia Cash Rate Target (per annum, or if no longer published a similar rate published by Australia's central bank) rate plus 250 basis points, limited to a maximum value of eight (8) percent per annum.

Board means the board of directors of the Company.

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

Cash includes cheques, bank deposits, bank cheques, bank transfers, bank drafts and bills of exchange in each case that is the lawful currency of the Commonwealth of Australia.

Commencement Date means the date the Company allots and issues not less than 15,000,000 ordinary shares pursuant to the Prospectus.

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

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

Derivative has the meaning given in section 761D(1) of the Corporations Act.

Force Majeure includes fire, storm, flood, earthquake, explosion, accident, act of the public enemy, war, rebellion, insurrection, sabotage, epidemic, terrorist attack, quarantine restriction, labour dispute, labour shortage, transportation embargo or failure or delay in transportation, act of God, act (including laws, regulations, disapprovals or failure to approve) of any government or agency whether national, municipal or otherwise.

Government Agency means any government or any governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity in any part of the world.

GST:

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

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

Initial Term has the meaning set out in Clause 11.1(a).

Insolvency Event means in relation to a Party:

- (a) an order is made or an application is made for the winding up of that Party and that order or application is not withdrawn or set aside within 15 Business Days;
- (b) a liquidator or provisional liquidator of that Party is made or appointed or an application is made for the appointment of a liquidator or provisional liquidator and that application is not withdrawn or set aside within 15 Business Days;
- (c) an effective resolution is passed for the winding up of that Party or a meeting is convened for the purpose of considering any such resolution;
- (d) that Party is placed under any formal or informal kind of insolvency administration or a meeting is convened for the purpose of considering the appointment of an insolvency administrator;

- (e) a receiver, manager, receiver and manager or controller of the main undertaking, property or material assets of that Party is appointed or any step is taken for the appointment of such a receiver, manager, receiver and manager or controller or execution or distress or any other process is levied or attempted or imposed against any of the main undertaking, property or material assets of that Party;
- (f) that Party stops payment or ceases to carry on the whole or any material part of its business or threatens to do so;
- (g) an order for payment is made or judgment is entered or signed against that Party in an amount of not less than \$100,000 and is not satisfied, stayed or set aside within 5 Business Days;
- (h) that Party becomes insolvent or unable to pay its debts; or
- (i) a compromise, composition or arrangement is proposed with or becomes effective in relation to the creditors or any class of creditors of that Party or that Party proposes a reorganisation, moratorium or other administration involving its creditors or any class of its creditors; or
- (j) any action is commenced to strike that Party's name off any register of companies;

Investment means an investment for the time forming part of or comprised in the Portfolio permitted by this Agreement and includes investments acquired by the application of the proceeds of borrowings by the Company.

Investment Decision means a decision to sell, realise or deal with any investment or to vary, convert, exchange or add another investment in lieu of that investment.

Investment Strategy means the investment strategy agreed by the Company and the Manager from time to time.

Licence means a licence required to be held by the Manager by Applicable Regulations to perform its obligations under this Agreement including an Australian Financial Services Licence issued by ASIC under the Corporations Act with authorisations necessary to enable the Manager to perform its obligations under this Agreement.

Listed Company means a company admitted to, and not removed from, the official list of the ASX.

Month means for the purposes of Clause 10:

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

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

Prime Broker means a Securities broker which offers special services including Securities lending, leveraged trade executions, foreign exchange facilities, margin financing, cash management, acting as settlement agent, custodial services, daily reporting on portfolios and centralized security clearing facilities so a client's collateral requirements are netted across all deals handled by the prime broker.

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

Prospectus means the prospectus that the Company will prepare relating to an initial public offering of up to 50,000,000 ordinary shares (together with an option to acquire 3 fully paid ordinary share for \$1.00 for every 4 fully paid ordinary shares subscribed for in the initial public offering), with an ability to issue further ordinary shares as determined by the Company, at an issue price of \$1.00 per share, for the benefit of the Company, subject to the Company raising a minimum of \$15,000,000.

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

Security has the meaning given in section 92(3) of the Corporations Act including a security that would fall within such a definition if issued within Australia.

Short Term Securities means cash, deposits, certificates of deposit, bills of exchange, promissory notes, bonds, floating rate notes, units, debentures, loans, letters of credit and similar money market and fixed interest instruments (whether issued at fixed or floating rates or at a discount to face value and whether specified as a given rate or referenced to an index) denominated in dollars and rated AA or better by a recognised rating agency or, if not rated, are assessed by the Manager as being of at least equivalent rating with such assessment being notified to the Company.

Subsequent Term has the meaning set out in Clause 11.1(b).

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

Value of the Portfolio means, at any date that such value is required to be ascertained, the aggregate sum of the values of each Investment calculated for each category of Investment comprising the Portfolio, in the following manner:

- (a) **Securities (other than Short Term Securities)** – the last price at which the Security has traded on ASX in the course of ordinary trading (for the avoidance of doubt excluding any "special crossings" or other off-market trades) unless the Manager and the Company agree that the last quoted price does not fairly reflect the value, in which case the value as agreed by the Company and the Manager or, failing agreement, as so determined by the Approved Valuer;
- (b) **Short Term Securities (other than cash)** – the market value as determined by the Manager unless the Company requests of the other in writing that the value be determined by an Approved Valuer, in which case the value will be as so determined by the Approved Valuer;
- (c) **Cash (including income)** – the amount of such Cash;
- (d) **other** – if an Investment is not included within paragraphs (a) to (c) of this definition, the value as determined by the Manager, unless the Company requests in writing that the value be determined by an Approved Valuer, in which case the value will be as so determined by the Approved Valuer.

1.2. Interpretation

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

- (a) headings are for ease of reference only and do not affect the meaning of this Agreement;
- (b) the singular includes the plural and vice versa and words importing a gender include other genders;
- (c) other grammatical forms of defined words or expressions have corresponding meanings;

- (d) a reference to a clause, paragraph, schedule or annexure is a reference to a clause or paragraph of, or schedule or annexure to, this Agreement and a reference to this Agreement includes any schedules and annexures;
- (e) a reference to a document or agreement, including this Agreement, includes a reference to that document or agreement as novated, altered or replaced from time to time;
- (f) a reference to '\$' or dollar is a reference to Australian currency;
- (g) a reference to a specific time for the performance of an obligation is a reference to that time in the State, Territory or other place where that obligation is to be performed;
- (h) a reference to a party includes its executors, administrators and successors;
- (i) a reference to the Manager includes its permitted assigns;
- (j) a reference to any legislation or statutory instrument or regulation is construed in accordance with the Acts Interpretation Act, 1901 (Cth) or the equivalent State legislation, as applicable;
- (k) words and expressions defined in the Corporations Act as at the date of this Agreement have the meanings given to them in the Corporations Act at that date; and
- (l) a reference to writing includes typewriting, printing, lithography, photography and any other method of representing or reproducing words, figures or symbols in a permanent and visible form.

1.3. Inclusive Expressions

Specifying anything in this Agreement after the words **include** or **for example** or similar expressions does not limit what else is included unless there is express wording to the contrary.

1.4. Period prior to Commencement Date

Until the Commencement Date, the only obligations of the Manager are those prescribed in Clauses 8.1, 13, 16. Subject to Clause 11, the remaining provisions of this Agreement have full force and effect from the Commencement Date.

2. Relationship Between Parties

2.1. Nature of Relationship

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

2.2. No Agency

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

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

2.3. Capacity

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

2.4. Fiduciary Obligations

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

3. Appointment of Manager

3.1. Appointment of Manager

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

4. Duties of the Manager

4.1. Duties of the Manager

- (a) Subject to and in accordance with the Applicable Regulations the Manager must manage the Portfolio, manage and supervise all investments and make Investment Decisions.
- (b) The Manager must also provide or procure the provision of administrative support services reasonably required by the Company to conduct its business. These services include:
 - (i) maintenance of the corporate and statutory records of the Company;
 - (ii) while the Company is a Listed Company, liaison with the ASX with respect to compliance with the ASX Listing Rules;
 - (iii) liaison with ASIC with respect to compliance with the Corporations Act;
 - (iv) liaison with the share registrar of the Company; and
 - (v) the provision of information necessary for the maintenance of financial accounts of the Company to be completed.
- (c) The Company is responsible for the payment of any fees or charges of any third parties engaged to provide any of the services required under Clause 4.1(b).
- (d) The Manager may be engaged to provide certain other services including drafting the Company's annual report and arranging for the printing and distribution of such report on terms and at a price to be agreed between the Parties.
- (e) Unless otherwise agreed, by the parties and subject to Clause 6.1 of this agreement, if the ASX Listing Rules apply to the Company, the Company is responsible for the payment of the following:
 - (i) legal fees incurred by the Company and its directors in obtaining advice in relation to compliance with ASX Listing Rules and the Corporations Act in respect of any actions of the Company including in respect of enforcement of rights and termination of this Agreement, assessing and responding to requisitions for general meetings and the acquisition of shares in the Company pursuant to Chapter 6 of the Corporations Act.

4.2. Valuations

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

4.3. Provision of information

The Manager must keep the Company informed in respect of the management of the Portfolio. This includes providing the following:

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

5. Powers of the Manager

5.1. Approval by the Company

The Manager must not make or implement any Investment Decisions in respect of an Investment with a value in excess of 25 percent of the value of the Portfolio without first obtaining the approval of the Company.

5.2. Investment of the Portfolio

Subject to the Applicable Regulations and Clause 5.4, on and from the Commencement Date the Manager must from time to time and on behalf of the Company invest money constituted in or available to the Portfolio, including money received as a consequence of disposal of Investments or any dividend or other distribution received, in all or any making and holding Investments and, subject to the Applicable Regulations, realise or dispose of Investments.

5.3. Discretions of the Manager

Subject to the obligation to liquidate the Portfolio to meet the Company's operating costs, dividend payments, capital returns, buybacks or other distributions, each of the Parties acknowledges and agrees that, within the Applicable Regulations and subject to Clauses 5.1, 5.2, and 5.4, on and from the Commencement Date, the Manager has the discretion to manage the Portfolio and do all things considered necessary or desirable in relation to the Portfolio, including:

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

Agreement;

- (d) either to retain as part of the Portfolio or to retain part and sell the balance of any Security or other property received by the Company by way of bonus or in lieu of or in satisfaction (in whole or in part) of a dividend in respect of any Investments.
- (e) Appoint, Change or Terminate Prime Brokers on behalf of the Company.

5.4. Investment Strategy

- (a) Notwithstanding any other provision of this Agreement, the Manager may only manage the Portfolio in accordance with the Investment Strategy.
- (b) If a Proposed Investment is not consistent with the Investment Strategy, the Manager may seek approval from the Company to:
 - (i) undertake that Proposed Investment; or
 - (ii) amend the Investment Strategy.
- (c) In seeking approval, the Manager must provide such information to the Company regarding the Proposed Investment to enable the Company to determine how the Investment deviates from the Investment Strategy and the proposed change to the Investment Strategy (if any) as the Company may reasonably request.
- (d) The Company may withhold its approval under this Clause 5.4 in its absolute discretion.

5.5. Delegation by the Manager

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

5.6. Specific Powers of Delegation

Without limiting Clause 5.5, in managing the Portfolio and in carrying out and performing the duties and obligations on its part contained in this Agreement (but subject always to the Applicable Regulations), the Manager may:

- (a) by power of attorney or other instrument, appoint any person to be attorney or agent of the Manager for such purposes and with such powers, authorities and discretions (not exceeding those vested in the Manager) as the Manager thinks fit with power for the attorney or agent to sub-delegate any such powers, authorities or discretions and also to authorise the issue in the name of the Manager of documents bearing facsimile signatures of the Manager or of the attorney or agent either with or without proper manuscript signatures of its officers thereon and provided further that the Manager in any such power of attorney and the attorney or agent by the terms of any such sub-delegation may insert such provisions for the protection and convenience of those dealing with any such attorney or agent or sub-delegate as the Manager may think fit; and
- (b) appoint and engage any Investment manager (which may be a related body corporate), barrister, solicitor, stockbroker, stock market consultant, accountant, contractor, qualified adviser, registrar and such other person as may be necessary, usual or desirable in the opinion of the Manager for the purpose of exercising its powers and performing its obligations. All reasonable and proper fees, charges and moneys payable to any such persons and all disbursements, expenses, duties and outgoings properly chargeable in respect of those persons must be paid by the Manager.

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

5.7. Approved Valuer

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

5.8. Execution of Authorisations

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

5.9. Directions

- (a) Subject to this Clause 5.9, throughout the Term the Manager must comply with all proper and reasonable directions and instructions given to it by the Company.
- (b) The Company cannot require the Manager to undertake duties not imposed on the Manager by this Agreement, to act contrary to this Agreement or in a manner which in the reasonable opinion of the Manager will, or is likely to result in a breach by the Manager of the terms of this Agreement, or which otherwise fetters the discretions of the Manager under Clause 5.3.
- (c) If the Manager acts in accordance with any directions given to it by the Company, then the Company is solely responsible for the consequences of the Manager's actions, and in particular:
 - (i) the consequences of the Manager acting in accordance with the Company's directions will not be grounds for termination or breach of this Agreement; and
 - (ii) the Manager is entitled to an indemnity from the Company in its capacity as the Company, in respect of losses, damage, costs and expenses suffered or incurred by the Manager as a result of the Manager acting in accordance with the directions.

6. Expenses

6.1. Manager Expenses

Subject to the terms of the Issue Manager Agreement and Clause 6.2, the Manager is liable for all fees, costs and expenses when properly incurred in connection with the investment and management of the Portfolio or the acquisition, disposal or maintenance of any investment or performance of the Manager's obligations under this Agreement including:

- (a) All costs associated with an Initial Public Offering of the Company's Security including all upfront offer costs, listing fees Broker Service Fees and advisers fees.

6.2. Company Expenses

Subject to Clause 6.1, the Company is liable for and, if required by the Manager, must pay out of the Portfolio (or if paid by the Manager, reimburse the Manager out of the Portfolio) all fees and expenses when properly incurred, including:

- (a) all costs, stamp duties, financial institutions duty, bank account debits tax and legal fees and other duties, taxes, fees, disbursements and expenses, commissions and brokerage incurred by the Company or the Manager (or both) in connection with:
 - (i) the acquisition and negotiation of any investment or Proposed investment;

- (ii) any sale or proposed sale, transfer, exchange, replacement or other dealing or proposed dealing with or disposal or proposed disposal of any Investment;
- (iii) the receipt of income or other entitlements from the Investments of the Portfolio; and
- (iv) the engagement of a custodian to hold any Investment on behalf of the Company;
- (b) outgoings in relation to the Portfolio such as rates, levies, duties, taxes and insurance premiums;
- (c) expenses referred to in Clause 4.1(e);
- (d) independent legal advice obtained by the directors of the Company in accordance with the Company's corporate governance policy;
- (e) costs associated with undertaking the issue of additional shares, distributions, returns of capital, share buy-backs or other reductions of capital;
- (f) costs of calling and holding all meetings of the Company's members;
- (g) costs associated with any winding-up of the Company; and
- (h) Compliance costs of the Company including audit and tax costs and associated professional advice fees; and
- (i) any other cost incurred outside the ordinary course of business of the Company.

6.3. Manager Expenses

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

7. Warranties, Undertakings and Acknowledgement by the Company

7.1. Warranties

The Company warrants and represents to the Manager that the Company has the power to enter into and perform this Agreement.

7.2. Company Undertakings

The Company undertakes to the Manager that it will:

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

7.3. Acknowledgment

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

8. Warranties and Undertakings by the Manager

8.1. Manager Warranties

The Manager warrants and represents to the Company that:

- (a) It has the power to enter into and perform this Agreement, subject only to those express limitations that have been advised to the Company in writing;
- (b) as at the Commencement Date, the Manager holds a Licence; and
- (c) at all times during the Term, the Manager will itself hold a Licence.

8.2. Manager Undertakings

The Manager undertakes to the Company that it must:

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

9. Liability of the Manager and the Company

9.1. No Liability

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

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

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

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

9.2. No Responsibility to Check Documents

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

9.3. No Responsibility for Non-realisation

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

10. Remuneration of Manager

10.1. Management Fee

- (a) In return for the performance of its duties as Manager of the Portfolio, the Manager is entitled to be paid, and the Company must pay to the Manager, (which remuneration is to be retained for the use and benefit of the Manager) a management fee payable Monthly in arrears (**Management Fee**) calculated in accordance with the following formula:

$$F = (VP \times 0.0175) / 12$$

Where:

F is the Management Fee payable in respect of that Month;

VP is the Value of the Portfolio calculated on the last Business Day of each Month;

- (b) If the Management Fee in respect of a Month is negative, that negative amount is notionally set off against subsequent Management Fees payable to the Manager to the intent that amount is paid to the Manager in subsequent Months until the negative amount is extinguished by set-off.
- (c) If this Agreement is terminated on a day other than the last Business Day of a Month, the Management Fee for that Month will be determined on the last Business Day of the Term adjusted pro-rata for the number of Business Days in that Month.
- (d) Where the Agreement commences on a date other than the first day of a Month, the Management Fee payable in respect of the first Month will be calculated on a pro-rata basis for that initial period.
- (e) The Company must pay the Management Fee to the Manager within 14 days of the Manager providing the correct Management Fee calculations to the Company.
- (i) The Manager may elect, on or before the date of payment, to receive payment in such form of cleared funds as the Company and the Manager agree; or
- (ii) Direct the Company to retain the funds payable, and instead issue shares to the Manager or its nominee as payment of the Management Fee, subject to any shareholder approvals required. If shareholders do not approve the issue of Shares in lieu of fees, the Company must pay the Manager those fees outstanding in cash.

- (f) The number of shares to be issued under Clause 10.1(e)(ii) will be calculated using the following formula:

$$\text{Number of shares} = (\text{Management Fees payable}) / \text{Issue Price}$$

Where:

Issue Price is the lesser of;

- (i) the volume weighted average price of shares on ASX during the period of 30 days up to and including the date of issue (VWAP); and
 - (ii) the price at which shares can be acquired on ASX on the date of issue.
- (g) Shares issued under Clause 10.1(e)(ii) will be issued no earlier than 5 Business Days following announcement of the Company's audited accounts to shareholders via ASX, and subject to any trading policy the Company may have.
- (h) The auditor of the Company must review the correct calculation of the Management Fee at least half yearly and prior to the issue of shares (in lieu of cleared funds) by the Company to the Manager.

10.2. Performance Fee

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

$$BA = (FV - IV) - (II \times IV) - CP$$

where

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

FV is the Value of the Portfolio (before any deduction for the Management Fee for the relevant Performance Calculation Period) calculated on the last Business Day of the relevant Performance Calculation Period; and

IV is the Value of the Portfolio calculated on the last Business Day of the immediately preceding Performance Calculation Period or, if there is no preceding Performance Calculation Period, is the Value of the Portfolio calculated on the Commencement Date.

II is the Benchmark Rate over the Performance Calculation Period; and

CP is the value of any under-performance carried forward in accordance with Clause 10.2(b).

- (b) If the Value of the Portfolio (before any deduction for the Management Fee for the relevant Performance Calculation Period) calculated on the last Business Day of a Performance Calculation Period (FV) is less than the aggregate of:
- (i) the Value of the Portfolio calculated on the last Business Day of the preceding Performance Calculation Period (IV); and
 - (ii) the Benchmark Rate over the Performance Calculation Period multiplied by the Value of the Portfolio calculated on the last day of the preceding Performance Calculation Period (II x IV),

no Performance Fee is payable in respect of that Performance Calculation Period and that carried forward underperformance value will be applied to the variable CP (as a nonnegative integer) under Clause 10.2(a) for subsequent Performance Calculation Periods. Following the accrual of a CP value the CP value will be carried forward and may accumulate with subsequent CP values, but once a Performance Fee becomes payable to the Manager the CP value is reset to zero. For the avoidance of doubt, any underperformance of the Portfolio compared to the Benchmark Rate is carried forward to future Performance Calculation Periods and must be recouped before the Manager is entitled to a Performance Fee.

- (c) If the amount calculated under Clause 10.2(a) is a negative number, no Performance Fee is payable in respect of that Performance Calculation Period.
- (d) For the purposes of Clause 10.2, Performance Calculation Period is:
 - (i) the period from the Commencement Date to the earlier of the date of termination and 30 June of the next calendar year;
 - (ii) thereafter and subject to Clause 10.2(d)(i), the period from the first day after the preceding Performance Calculation Period to 30 June of the next calendar year;
 - (iii) If the Term expires on a day other than 30 June, the last Performance Calculation Period is the period from the first day after the preceding Performance Calculation Period or, if there is no preceding Performance Calculation Period, the Commencement Date, to the date this Agreement is terminated.
- (e) In calculating the Performance Fee for the Performance Calculation Period, changes in the Value of the Portfolio as a result of the issue of Securities by the Company, capital reductions undertaken by the Company, share buy-backs undertaken by the Company and dividend distributions undertaken by the Company will be disregarded or adjusted in a manner determined by the auditor of the Company at the conclusion of that Performance Calculation Period.
- (f) The Performance Fee must be calculated using the Company's audited accounts.
- (g) The Manager must calculate the Performance Fee and provide the calculations to the Company.
- (h) The Company must pay the Performance Fee to the Manager within 14 days of the Manager providing the correct Performance Fee calculations to the Company.
 - (i) The Manager may elect, on or before the date of payment, to receive payment in such form of cleared funds as the Company and the Manager agree; or
 - (ii) Direct the Company to retain the funds payable, and instead issue shares to the Manager or its nominee as payment of the Performance Fee, subject to any shareholder approvals required. If shareholders do not approve the issue of Shares in lieu of fees, the Company must pay the Manager those fees outstanding in cash.
- (i) The number of shares to be issued under Clause 10.2(h)(i) will be calculated using the following formula:

Number of shares = (Performance Fees payable) / Issue Price

Where:

Issue Price is the lesser of;

 - (i) the volume weighted average price of shares on ASX during the period of 30 days up to and including the date of issue (VWAP); and

- (ii) the price at which shares can be acquired on ASX on the date of issue.
- (j) Shares issued under Clause 10.2(h)(i) will be issued no earlier than 5 Business Days following announcement of the Company's audited accounts to shareholders via ASX, and subject to any trading policy the Company may have.
- (k) The auditor of the Company must review the correct calculation of the Performance Fee prior to payment.

10.3. Options

- (a) In return for paying all costs associated with the Prospectus including all fees payable to stock brokers associated with the Prospectus, the Company agrees to issue the Manager options at the rate of 0.25 of an option for each dollar raised in the Prospectus (rounded up to the nearest whole number of options) at the same time Securities are allotted to investors under the Prospectus.
- (b) Any options issued to the Manager under this clause will have the same strike price and the same expiry date as the options issued to other investors under the Prospectus.
- (c) The Manager agrees to voluntarily escrow (that is agrees not to deal with the options in any way including exercising or selling the options) issued to it pursuant to this clause at all times during the first twelve months of the Company becoming a Listed Company.
- (d) The table below illustrates the potential number of options that could be issued to the Manager under this clause.

Table - Options to be Granted to Manager	
Option grant rate for each dollar raised (Number of options issued per dollar raised)	0.25
Amount Raised under Prospectus	No. Options issued to Manager
\$ 15,000,000	3,750,000
\$ 17,500,000	4,375,000
\$ 20,000,000	5,000,000
\$ 22,500,000	5,625,000
\$ 25,000,000	6,250,000
\$ 27,500,000	6,875,000
\$ 30,000,000	7,500,000
\$ 32,500,000	8,125,000
\$ 35,000,000	8,750,000
\$ 37,500,000	9,375,000
\$ 40,000,000	10,000,000
\$ 42,500,000	10,625,000
\$ 45,000,000	11,250,000
\$ 47,500,000	11,875,000
\$ 50,000,000	12,500,000

11. Period of Agreement and Termination

11.1. Term

- (a) Subject to Clause 11.1(b) and the ASX Listing Rules (whilst the Company is a Listed Company), this Agreement remains in force from the date 10 years from the Commencement Date unless terminated earlier by either Party in accordance with this Clause 11 (Initial Term).
- (b) After the Initial Term, any additional period of this Agreement is a Subsequent Term.
- (c) This Agreement will be automatically extended upon the expiry of the Initial Term and the expiry of any Subsequent Term, for a further term of 5 years and if not terminated earlier.

11.2. Termination by Manager

The Manager may terminate this Agreement at any time after the first anniversary of the Commencement Date by giving to the Company at least 3 months' written notice.

11.3. Termination by Company

The Company may remove the Manager and terminate this Agreement:

- (a) after the expiration of the Initial Term:
 - (i) on delivery of 3 months' prior written notice; or
 - (ii) if, while the Company is a Listed Company, the shareholders resolve by ordinary resolution that the Manager should be removed as manager of the Portfolio, on delivery of 3 months' prior written notice;
- (b) with immediate effect if:
 - (i) an Insolvency Event occurs with respect to the Manager;
 - (ii) the Manager is in default or breach of its obligations under this Agreement in a material respect and such default or breach cannot be rectified;
 - (iii) the Manager is in default or breach of its obligations under this Agreement in a material respect and fails to remedy that default or breach within 30 days after receiving notice of that default or breach.
- (c) after the Commencement Date, the Manager persistently fails to ensure that investments made on behalf of the Company are consistent with the Investment Strategy applicable at the time the investment is made; or
- (d) the Licence under which the Manager performs its obligations under this Agreement is suspended for a period of not less than 1 month or cancelled at any time and the Manager fails to obtain an authorisation enabling it to perform its obligations under this Agreement from a third party holder of a Licence.

11.4. Termination on Winding Up of Company

- (a) Without limiting any other circumstances in which the winding up of the Company effects a termination of this Agreement, this Agreement terminates immediately upon the passing of a resolution by members to voluntarily wind-up the Company.
- (b) The Manager acknowledges that the Company has no liability to the Manager in respect of the termination of this Agreement in accordance with this Clause 11.4 (including in respect of management fees that, but for termination, would have been payable to the Manager).

11.5. Termination Does Not Prejudice Rights

The termination of this Agreement will not affect or prejudice:

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

12. Voting**12.1. Voting**

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

12.2. No Entitlement to Notice of Meeting

The Manager is not required to dispatch to the Company a notice of meeting relating to any person or company or other entity in which the Portfolio is invested.

13. General**13.1. Assignment and Novation**

- (a) The Manager may not assign all or any of its right, title and interest in this Agreement to a third party except with the prior consent in writing of the Company, which consent must not be unreasonably withheld or delayed.
- (b) The Company may not assign all or any of its rights under this Agreement except with the prior consent in writing of the Manager, which consent must not be unreasonably withheld or delayed.

13.2. Waiver

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

13.3. Notice

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

13.4. Further Assurance

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

13.5. Governing Law and Jurisdiction

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

13.6. Severability

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

13.7. Entire Agreement

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

13.8. Amendment

This agreement may only be altered:

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

13.9. Counterparts

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

14. Force Majeure**14.1. Force Majeure**

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

15. Non-Exclusivity**15.1. Non-Exclusivity**

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

15.2. Acknowledgment Regarding Other Companies

The Company acknowledges that:

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

16. Confidentiality

16.1. Confidentiality

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

17. Indemnity

17.1. Company Indemnity

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

17.2. Manager Indemnity

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

17.3. Conduct of Proceedings

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

17.4. Indemnity not affected by delegation

Notwithstanding any delegation or appointment pursuant to Clause 5.5 or Clause 5.6 the Company will remain liable for and indemnify the Manager against any losses, expenses or liabilities arising from acts or omissions of any officer, employee, attorney, agent, sub-delegate or sub-agent to whom any delegation is made or who is appointed under Clause 5.5 or Clause 5.6 of this Agreement except in so far as any loss or liability is caused by an act or omission in breach of this Agreement, negligence, other default, fraud or dishonesty of the Manager or its officers, employees or agents where the Manager, its officers, employees or agents know or ought reasonably to have known that the action would constitute a breach of this Agreement, negligence, other default, fraud or dishonesty and know or ought reasonably to have known that the loss or liability was likely to arise.

18. Disputes

18.1. Notice of Dispute

If any dispute or difference or disputed question concerning this Agreement or the construction, meaning, operation or effect of any of the terms of this Agreement or as to the rights, duties or

liabilities of the Manager or the Company under this Agreement arises between the Manager and the Company, then the Manager or the Company may give to the other notice in writing of such dispute or difference.

18.2. Arbitration

- (a) Upon the expiration of 7 days after giving the notice referred to in Clause 18.1, unless it will have been otherwise settled between them, the matter in question may be submitted by either the Manager or the Company to such person as the Parties agree in writing or failing agreement within 7 days to the president for the time being of the Law Society of New South Wales or if he is unwilling to act, to such counsel as will be willing to act as he may select in accordance with and subject to the Commercial Arbitration Act 1984 (NSW).
- (b) The award of the arbitrator will be final and binding on the Parties.
- (c) Upon every or any such reference, the costs of or incidental to the reference and award respectively will be in the discretion of the arbitrator who may determine the amount thereof, or direct the same to be taxed as between solicitor and Company, or as between party and party, and will direct by whom and to whom, and in what manner the same should be borne and paid.

19. GST


19.1. GST

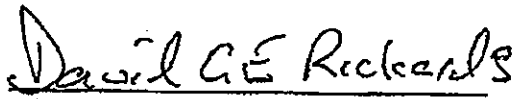
- (a) Unless expressly included, the amounts payable for any supply under or in connection with this Agreement does not include GST.
- (b) To the extent that any supply made under or in connection with this Agreement is a taxable supply, the supplier may increase the amounts payable for that supply by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

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Executed by the Parties as an Agreement:

SIGNED by
NAOS Absolute Opportunities Company
 Ltd (A.C.N. 169 448 837) in accordance
 with section 127 of the Corporations Act:



 Director

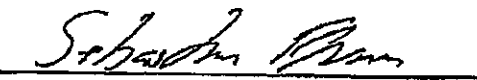

 Name (please print)

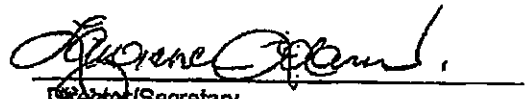

 Director/Secretary

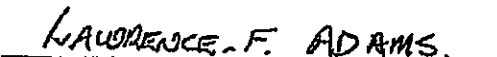

 Name (please print)

SIGNED by
NAOS Asset Management Limited
 (A.C.N. 107 824 126) in accordance with
 section 127 of the Corporations Act:


 Director


 Name (please print)


 Director/Secretary


 Name (please print)