Management Agreement

between

Baker Steel Resources Trust Limited
as the Fund

and

Baker Steel Capital Managers (Cayman) Limited
as the Manager

relating to the management of the assets of the Fund and the distribution of the Fund's shares

Certified true copy

HSBC Securities Services (Guernsey) Limited
Secretary

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THIS AGREEMENT is dated the 31 March 2010 and made

BETWEEN:

(1) **BAKER STEEL RESOURCES TRUST LIMITED** (the "Fund") a company incorporated in Guernsey and whose registered office is at Arnold House, St Julian's Avenue, St Peter Port, Guernsey Channel Islands; and

(2) **BAKER STEEL CAPITAL MANAGERS (CAYMAN) LIMITED**, (the "Manager") a company incorporated in the Cayman Islands and having its registered office at PO Box 309, George Town, Grand Cayman, KY1-1104, Cayman Islands.

BACKGROUND:

(A) The Fund has been established under the laws of Guernsey as a closed-ended investment company.

(B) The Fund wishes to appoint the Manager to act as manager of the Fund and as a distributor in respect of the Shares on the terms set out in this Agreement, which appointment the Manager wishes to accept and to appoint the Investment Manager to manage and invest the Portfolio on a discretionary basis, and to act as a distributor in respect of the Shares on the terms set out in the Investment Management Agreement.

THE PARTIES AGREE THAT:

1. **Interpretation**

1.1 In this Agreement, unless the context otherwise requires, the following words have the following meanings:-

"Administrator"	means HSBC Securities Services (Guernsey) Limited or such other person for the time being appointed by the Fund as its administrator;
"Admission"	means admission of the Ordinary Shares and Subscription Shares issued and to be issued to the Official List of the London Stock Exchange and to trading on the London Stock Exchange's main market for listed securities;
"Articles"	means the memorandum and articles of association of the Fund as amended, supplemented or modified from time to time provided that such amendments are notified to the Manager and the Investment Manager;
"Associate"	means, in relation to a person, an undertaking in the same Group (as defined in section 421 of FSMA) and any other person whose business or domestic relationship with the first person or its Associate might reasonably be expected to give rise to a community of interest between them which may involve a conflict of interest in dealing with third parties;
"Authorised Officer"	means any person from time to time designated by the Fund as authorised to instruct the Manager and whose specimen signature has been delivered to the Manager;
"Baker Steel Group"	the Manager, any "subsidiary undertaking" of the Manager, any "parent undertaking" of the Manager and any subsidiary undertaking of any such parent undertaking as such terms are defined in section

	1162 of the UK Companies Act 2006 and "member of the Baker Steel Group" shall be construed accordingly;
"Business Day"	means as defined in the Prospectus;
"Companies Law"	the Companies (Guernsey) Law, 2008 (as amended);
"Custodian"	means HSBC Institutional Trust Services (Ireland) Limited or such other person for the time being appointed by the Fund as custodian to the Fund;
"Directors" or "Board"	means the members of the board of directors of the Fund for the time being and any duly constituted committee thereof and any successors to such members as they may be appointed from time to time;
"Disclosure Rules"	means the Disclosure and Transparency Rules of the FSA Rules;
"FSA"	means the Financial Services Authority of the United Kingdom;
"FSA Rules"	means the rules, guidance, principles and codes comprised in the Handbook of Rules and Guidance issued by the FSA;
"FSMA"	means the Financial Services and Markets Act 2000;
"Hurdle"	means as defined in schedule 1;
"Investment Advisers"	each of AWR Lloyd Limited and Rock Capital Partners Limited;
"Investment Manager"	means Baker Steel Capital Managers LLP;
"Investment Management Agreement"	means the agreed form investment management agreement between the Manager and the Investment Manager as set out in schedule 2;
"Investment Objectives"	means as defined in Clause 2.1 below;
"Investments"	means any asset, right or interest falling within any paragraph of the Order and any spot or forward foreign exchange transaction or other asset, right or interest in which the Fund may invest directly or indirectly from time to time, including units and other interests in unregulated collective investment schemes;
"Issue Price"	means 100 pence per Ordinary Share (and Subscription Shares, at no extra cost, in a ratio of one Subscription Share for every five Ordinary Shares subscribed);
"Listing Rules"	means the listing rules made by the FSA pursuant to Part VI of FSMA;
"Management Ordinary Shares"	means as defined in the Prospectus;

"Market Capitalisation"	means the average middle market quotation for the Ordinary Shares during the month in which the Valuation Day occurs multiplied by the number of Ordinary Shares in issue on the relevant Valuation Day, excluding Ordinary Shares held in treasury;
"Net Asset Value"	means as defined in the Prospectus;
"Offer"	means as defined in the Prospectus;
"Order"	means the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001;
"Ordinary Shares"	means as defined in the Prospectus;
"POI Law"	means the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended;
"Performance Period"	means as defined in schedule 1;
"Portfolio"	means all the assets and Investments of the Fund at any time under the management of the Manager hereunder, including, for the avoidance of doubt, any uninvested cash;
"Prospectus"	means the prospectus relating to the Fund as amended from time to time provided that all amendments are notified by the Fund to the Manager and the Investment Manager;
"Regulatory System"	means arrangements for regulating a firm or other person in or under the FSMA including the FSA Rules, codes and guidance issued from time to time by the FSA;
"Shares"	means the Ordinary Shares and/or the Management Ordinary Shares;
"Subscription Shares	"means as defined in the Prospectus; and
"Valuation Day"	means as defined in the Prospectus.

1.2 References to statutory provisions, regulations, notices or the FSA Rules shall include those provisions, regulations, notices or FSA Rules as amended, extended, consolidated, substituted, re-issued or re-enacted from time to time;

1.3 References to Clauses are to clauses of this Agreement and headings are inserted for convenience only and shall not affect the construction of this Agreement;

1.4 Unless the context otherwise requires and except as varied or otherwise specified in this Agreement words and expressions contained in this Agreement shall bear the same meaning as in the Prospectus or the Articles provided that if there is any conflict between words defined in the Articles or the Prospectus, the Articles shall prevail.

1.5 The Schedules to this Agreement form part of it.

2. Appointment of Manager

2.1 The Fund hereby appoints the Manager as the manager of the Fund subject to the overall control and supervision of the Directors and authorises it to appoint the Investment

Manager to act as investment manager of the Fund and invest the Portfolio on a discretionary basis, and to act as a distributor of the Shares with immediate effect in accordance with the investment objective and policy described in the Prospectus ("Investment Objectives") and subject to the investment restrictions set out in the Prospectus until the Manager's appointment shall be terminated as hereinafter provided, and the Manager hereby accepts such appointment and agrees to assume the obligations set forth herein.

2.2 This Agreement will come into force on the date hereof.

2.3 Except as expressly provided in this Agreement, or as the Manager may be otherwise authorised by the Fund, the Manager and the Investment Manager have no authority to act for or represent the Fund and the Manager and the Investment Manager shall not be deemed an agent of the Fund.

2.4 The Manager hereby agrees that it will not carry on mutual fund administration services in relation to the Fund within the meaning of the Mutual Funds Law (2007) Revision of the Cayman Islands or securities investment business within the meaning of the Securities Investment Business Law (2004 Revision) of the Cayman Islands.

3. **Duties of the Manager**

3.1 Subject to the overall control and supervision of the Directors and as stipulated by the Directors from time to time, the Manager will act as manager of the Fund and will appoint the Investment Manager to manage and invest the Portfolio on a discretionary basis and in accordance with the Investment Objectives and to act as a distributor of the Shares in accordance with the Investment Management Agreement and will supervise the Investment Manager in carrying out such functions.

3.2 Subject to the Investment Objectives and such stipulations as described in Clause 3.1 the Investment Manager will have complete discretion to manage the Portfolio for the account and on behalf of the Fund (and without prior reference to the Fund or the Directors) and otherwise act as the Investment Manager judges appropriate in relation to the management and investment of the Portfolio.

3.3 The Fund confirms that the Investment Objectives do not include:

(A) any limits or restrictions on the length of time for which it wishes to hold any particular Investment;

(B) any preferences regarding risk taking;

(C) any particular risk profile; or

(D) any particular purpose for its investment activities.

3.4 If any of the investment restrictions set out in Part VII of the Prospectus are exceeded as a result of any appreciation or depreciation in value or otherwise or are breached, the Manager shall:

(A) so notify the Fund as soon as practicable;

(B) procure that the Investment Manager acquires or disposes of, as the case may be, no further Investments for the account of the Fund which at the date of acquisition or disposal would result in the Investment Objectives being further exceeded or breached; and

(C) consult with the Directors as to the steps to be taken to remedy the situation,

PROVIDED THAT the parties acknowledge that the Investment Manager shall always be entitled to acquire or dispose of Investments with a view to remedying any such excess or breach.

3.5 The Manager shall procure that the Investment Manager shall, without prejudice to the generality of the foregoing, also provide the following services to the Fund:

(A) analysis of the progress of all Investments and other assets within the Portfolio;

(B) provision of written reports in accordance with the Operational Procedures in schedule 1 of the Investment Management Agreement;

(C) preparation of material relevant to the services provided under this Agreement for inclusion in the yearly, half-yearly and other reports of the Fund whenever the Directors shall reasonably require such material;

(D) keeping or causing to be kept such books, records and statements as shall be necessary to give a complete record of all transactions which the Investment Manager carries out for the account of the Fund, which the Fund and persons authorised in writing by the Fund shall be entitled to inspect at all reasonable times;

(E) as and when reasonably requested by the Fund, arranging for an officer of the Investment Manager to attend board meetings of the Fund to report on the services provided by the Investment Manager to the Manager pursuant to the Investment Management Agreement;

(F) provision of such reasonable information and documentation in relation to the Portfolio in its possession or control so as to enable the Fund to comply with its obligations under the Listing Rules and the Disclosure Rules and under any other applicable laws and regulations, including without limitation the laws and regulations of each of Guernsey and the United Kingdom;

(G) provision of reasonable assistance to the Fund with the preparation of all notices, letters, circulars and other documents which are required from time to time to be despatched to shareholders of the Fund pursuant to the Listing Rules and the Disclosure Rules and any other applicable legal or regulatory requirements;

(H) at the reasonable request of the Fund or its auditors, provision of reasonable assistance to the Fund with the preparation of the interim management statements and the interim and annual reports of the Fund and liaise with the Administrator and auditors in relation thereto;

(I) at the request of the Fund, assistance with administration and management of the rights and obligations of the Fund against and to third parties after their creation including, without limitation, liaising with the Administrator, Custodian, company secretary, bankers and professional advisers of the Fund from time to time and providing them with such reasonable information and instructions as may be reasonably necessary for the performance of their roles;

(J) at the request of the Fund or the Fund's auditors, provision of reasonable assistance with the preparation of all tax returns, if any, required to be filed by the Fund; and

(K) if required by the Directors, negotiation of borrowing arrangements and, if authorised by the Directors, implementation of such arrangements.

3.6 The Manager shall procure that the Investment Manager shall observe, comply with and (only insofar as the same are relevant or applicable to the Investment Manager's role as discretionary Investment Manager of the Fund's assets) ensure that the Fund complies with, its Articles, all applicable laws and rules and regulations, including without limitation those of the Guernsey Financial Services Commission, the POI Law, the Companies Law, the UK Listing Authority, the London Stock Exchange, the City Code on Takeovers and Mergers, the FSMA and the FSA Rules.

3.7 The Manager and the Fund agree that in the event that the Investment Manager shall make any acquisitions or disposals of any Investments which will or may give rise to any obligations of disclosure imposed on the Fund by any applicable legislation or regulatory requirement with respect to the Fund's interest therein, the Manager shall procure that the Investment Manager, on behalf of the Fund, shall to the extent permitted by applicable law make the appropriate disclosures or, if not so permitted, notify the Manager and the Fund as soon as possible of the obligation of disclosure and the transaction giving rise to such obligation.

3.8 Without prejudice to the duties of the Manager set out in clause 3.1, the Manager shall ensure and procure that the Investment Manager takes such care as may be reasonably expected of a reputable investment manager so that:

(A) the Fund shall not become subject to tax in any jurisdiction (other than Guernsey) by reason of being resident for tax purposes in such jurisdiction or having a branch, agency or permanent establishment for tax purposes in such jurisdiction;

(B) in respect of each Investment made or proposed to be made by the Fund, all liabilities to tax in any relevant jurisdiction arising from the acquisition, ownership or disposal of such Investment are identified and the Fund makes proper provision in respect of such tax in its accounts (including its audited accounts) and in calculating any figure for net asset value that is made available to investors by or on behalf of the Fund; and

(C) where a liability of the Fund to tax in any jurisdiction arises in respect of any of its Investments, the Fund makes or causes to be made on its behalf, within applicable time limits, all such notices, reports and returns for tax purposes and all payments of or on account of taxes as may be required.

3.9 The Manager shall on or around the date hereof appoint the Investment Manager pursuant to the Investment Management Agreement and the Manager undertakes not to waive any of its rights under the Investment Management Agreement. Any amendments to the Investment Management Agreement shall be subject to the prior consent in writing of the Fund, such consent not to be unreasonably withheld, provided that any amendments to the Investment Management Agreement that are necessary in order to comply with the regulatory obligations that the Manager and/or the Investment Manager is subject to at any time, may be made without such prior consent provided that any such amendments are immediately notified to the Fund in writing.

3.10 The Manager agrees that for the purposes of this Agreement a breach by the Investment Manager of any of its obligations to the Manager under the Investment Management Agreement shall also constitute a breach by the Manager of this Agreement.

3.11 The Manager undertakes to immediately notify the Fund by notice in writing upon it becoming aware of having committed a breach (whether or not considered to be material) of this Agreement or of the Investment Manager having committed a breach (whether or not considered to be material) of the Investment Management Agreement.

4. Appointment of Investment Advisers

4.1 The Fund and the Manager acknowledge that the Investment Manager shall be entitled to appoint each of the Investment Advisers as investment advisers to the Investment Manager and that the Investment Advisers will be remunerated by the Investment Manager.

5. Representations and Warranties of the Fund

5.1 The Fund represents and warrants to the Manager that as at the date of this Agreement and on an ongoing basis:

(A) it is and will be validly existing, duly empowered and authorised to execute, deliver and perform this Agreement and to give effect to the transactions contemplated hereby;

(B) this Agreement is and will be binding upon it and enforceable in accordance with its terms except insofar as enforcement may be limited by bankruptcy, insolvency or other laws relating to or affecting enforcement of creditors' rights or general principles of equity; and

(C) it has complied with and will continue to comply with all laws, rules and regulations or court and governmental orders by which it is bound or to which it is subject in connection with the execution and performance of this Agreement.

5.2 The Fund will notify the Manager promptly if there is any change in the above.

6. Representations and Warranties of the Manager

6.1 The Manager represents and warrants to the Fund that as at the date of this Agreement and on an ongoing basis:

(A) it is and will be validly existing, duly empowered and authorised to execute, deliver and perform this Agreement and the Investment Management Agreement and to give effect to the transactions contemplated under this Agreement and under the Investment Management Agreement and is duly qualified, authorised or licensed under the laws of each jurisdiction where the conduct of its business requires, or the performance of this Agreement and the Investment Management Agreement would require, such qualification, authorisation or licence;

(B) the Investment Manager is and will be validly existing, duly empowered and authorised to execute, deliver and perform the Investment Management Agreement and to give effect to the transactions contemplated thereunder and is and will be duly qualified, authorised or licensed under the laws of each jurisdiction where the conduct of its business requires, or the performance of the Investment Management Agreement would require, such qualification, authorisation or licence;

(C) this Agreement is and will be binding upon it and enforceable in accordance with its terms except insofar as enforcement may be limited by bankruptcy, insolvency or other laws relating to or affecting enforcement of creditors' rights or general principles of equity;

(D) the Investment Management Agreement is and will be binding upon it and upon the Investment Manager and is enforceable in accordance with its terms except insofar as enforcement may be limited by bankruptcy, insolvency or other laws relating to or affecting enforcement of creditors' rights or general principles of equity;

(E) it has complied with and will continue to comply, and will procure that the Investment Manager will comply, with all laws, rules and regulations or court and governmental orders by which it is, or they are (as the case may be), bound or to which it is, or they are (as the case may be), subject in respect of the execution and performance of this Agreement;

(F) the Investment Manager is and will use its best endeavours to procure that the Investment Manager continues to be authorised by the FSA; and

(G) there is no charge, investigation, action, suit or proceeding before or by any court or regulator which is current or pending or, to the reasonable knowledge of the Manager, threatened in respect of either the Manager and/or the Investment Manager that, if determined adversely to the Manager and/or the Investment Manager (as appropriate) would have a material adverse effect upon the ability of such party to perform its duties under, or upon the validity or enforceability of, this Agreement or the Investment Management Agreement.

6.2 The Manager will notify the Fund promptly if there is any material change in the above.

7. Fund Obligations

7.1 The Fund will supply or procure the supply to the Manager of a copy of the Articles and all amendments thereto, the Prospectus and all other information as the Manager shall reasonably require and which is notified to the Fund to enable it to perform its duties hereunder.

8. Restrictions and Requirements

8.1 In carrying out its duties hereunder, the Manager shall comply with all instructions of the Directors in connection therewith to the extent that such instructions are not inconsistent with any provision of this Agreement, the Investment Objectives, the FSA Rules or applicable law. Such instructions may be given by letter or facsimile, in either case signed by an Authorised Officer, or by telephone provided that telephone instructions shall be confirmed in writing by an Authorised Officer.

8.2 The Manager shall further procure that the Investment Manager shall comply with all instructions of the Directors in connection with the management of the Fund's Portfolio to the extent that such instructions are not inconsistent with any provision of this Agreement, the Investment Objectives, the FSA Rules or applicable law. Such instructions may be given by letter or by facsimile, in either case, signed by an Authorised Officer or by telephone provided that telephone instructions shall be confirmed in writing by an Authorised Officer. The Manager and the Investment Manager may rely without enquiry on any instruction received which appears on its face to be signed by an Authorised Officer. The Manager shall procure that the Investment Manager shall, on request, acknowledge such instructions. Instructions must be clear and legible when received by the Investment

Manager and the Manager shall clarify such instructions when requested to do so by the Investment Manager.

8.3 Without limitation to the above, the Manager acknowledges that the Directors will make any decisions as to the repurchase by the Fund of its own Shares and as to the timing of any such repurchases and, subject to applicable laws, rules and regulations, the Manager undertakes to comply with all instructions of the Directors in connection therewith.

9. Fees and Expenses

9.1 The Fund shall pay the Manager by way of remuneration for its services hereunder a monthly fee equal to 1/12 of 1.75 per cent per month of the Market Capitalisation ("the Management Fee").

9.2 Such fees will be calculated and shall accrue as at the last Business Day in each month and will be payable monthly in arrears as soon as is reasonably practicable after calculation thereof and in any event within 30 calendar days.

9.3 In addition to the fee referred to in Clause 9.1, the Manager shall be entitled to receive from the Fund an annual performance fee (the "Performance Fee") calculated and payable in accordance with schedule 1.

9.4 If the market quotation of the Ordinary Shares (and thus the determination of Market Capitalisation) shall be suspended for any reason the Management Fee payable hereunder shall be calculated by reference to the Market Capitalisation on any substitute valuation day agreed by the Fund and the Manager or if no substitute valuation day is agreed, by reference to the Market Capitalisation of the Fund on the valuation day immediately preceding such suspension.

9.5 Fees payable pursuant to sub-Clauses 9.1 and 9.3 shall be exclusive of any value added tax payable in relation thereto which, if payable, shall be borne by the Fund.

9.6 Fees payable pursuant to this Agreement will accrue from the date of Admission.

9.7 Subject to sub-Clause 9.8, the Manager will be responsible for its expenses under this Agreement including the fees and expenses of the Investment Manager but for the avoidance of doubt not the fees and expenses of the Custodian, Administrator or any auditor appointed by the Fund or any other service provider or adviser appointed directly by the Fund.

9.8 The Fund shall reimburse to the Manager such expenses as are agreed in writing between the Fund and the Manager (including the reasonable charges for legal and consultancy advice and assistance provided by the Investment Manager through its internal legal counsel/consultant in respect of the Fund), but subject thereto the Manager will be responsible for its expenses under this Agreement and for the fees and expenses of the Investment Manager and any agents and/or employees the Manager may appoint but for the avoidance of doubt not the fees of any of the Administrator, Custodian, valuation agent or any auditor.

9.9 Notwithstanding sub-Clauses 9.7 and 9.8, the Fund shall reimburse to the Manager any amount by which the fees payable by the Manager to the Investment Manager are increased by reason of sub-Clauses 13.2 of the Investment Management Agreement.

9.10 The Manager may, in its absolute discretion, from time to time waive or rebate all or any part of its fees hereunder to the Fund or to any third party.

9.11 The Manager may from time to time and at its sole discretion and out of its own resources decide to rebate to some or all holders of Shares (or their agents, including the Directors) or to intermediaries, part or all of the Management Fee and/or Performance Fee provided that the Manager will notify the Fund of any such arrangements.

10. Limitation of Liability

10.1 The Manager hereby agrees to use reasonable skill and care and act diligently, devote such time and attention and have all necessary, competent and efficient personnel and equipment as may be required to ensure it properly and efficiently performs its obligations and provides services pursuant to this Agreement and further agrees to procure that the Investment Manager uses reasonable skill and care and acts diligently, devotes such time and attention and has all necessary, competent and efficient personnel and equipment as may be required to ensure it properly and efficiently performs its obligations and provides services pursuant to the Investment Management Agreement but shall not be liable to the Fund for any loss suffered by the Fund in connection with the performance by the Manager of its obligations hereunder or in connection with the performance by the Investment Manager of its obligations under the Investment Management Agreement, other than in respect of loss suffered as a result of the Manager's negligence, fraud, wilful default or breach under the Management Agreement or as a result of the Investment Manager's negligence, fraud, wilful default or breach under the Investment Management Agreement.

10.2 The Manager and the Investment Manager shall not be liable in respect of the wilful default or fraud of any person, firm or company through whom transactions in Investments are effected for the Fund's account, of the Custodian or any other third party having custody or possession of the Fund's assets from time to time, or of any clearance or settlement systems.

10.3 The Manager and the Investment Manager shall not be liable for any loss of opportunity whereby the value of the Portfolio could have been increased or for any decline in the value of the Portfolio howsoever arising, except to the extent that such loss or decline is due to the Manager's negligence, wilful default, fraud or breach of this Agreement.

10.4 The Manager and the Investment Manager will not be liable for any loss arising from errors of fact or judgement or any action taken (or omitted to be taken) by it howsoever arising except to the extent that any such error or action (or the omission thereof) is due to the Manager's negligence, wilful default, fraud or breach of this Agreement or the Investment Management Agreement.

10.5 The Fund shall indemnify and keep indemnified the Manager and the Investment Manager and their respective partners, agents, consultants, directors, officers and employees (each an "Indemnified Party") from and against any and all liabilities, obligations, losses, damages, suits and expenses which may be incurred by or asserted against any Indemnified Party in its capacity as manager or investment manager of the Portfolio other than those resulting from a breach of this Agreement or the Investment Management Agreement or the negligence, wilful default or fraud on the part of an Indemnified Party and other than expenses incurred by the Manager or the Investment Manager for which it is responsible pursuant to Clause 9.7. The Indemnified Parties shall be entitled to enforce the terms of this Clause 10.5.

11. Resignation and Termination

11.1 This Agreement shall continue and remain in force unless and until terminated by either party giving to the other party not less than 12 months' written notice, such notice not to be given prior to the third anniversary of Admission.

11.2 The Fund may terminate this Agreement by the giving of 90 days' notice in writing if the Manager shall commit any material breach of its obligations under this Agreement and, if such breach is capable of being made good, shall fail to make good such breach within 30 days of receipt of written notice from the Fund requiring it so to do.

11.3 The Manager may terminate this Agreement by the giving of 90 days' notice in writing if the Fund shall commit any material breach of its obligations under this Agreement and, if such breach is capable of being made good, shall fail to make good such breach within 30 days of receipt of written notice from the Manager requiring it to do so.

11.4 This Agreement may be terminated forthwith by notice in writing by the Fund in the event of:

(A) the Fund notifying the Manager of its intention to terminate this Agreement on less than 12 months' notice (such notice not to be given prior to the third anniversary of Admission) and paying to the Investment Manager an amount equal to:

(1) the aggregate Management Fee which would otherwise have been payable during the 12 months following the date of such notice (such amount to be calculated for the whole of such period by reference to the Market Capitalisation of the Fund calculated as provided in Clause 9.1 prevailing on or immediately prior to the date of such notice); and

(2) the aggregate of any accrued Performance Fee in respect of the then current Performance Period as provided in schedule 1 hereto, which shall become due and be paid as soon as, and to the extent that, sufficient cash or other liquid assets are available to the Fund (as determined in good faith by the Directors), provided that such accrued Performance Fee shall be paid prior to the Fund making any new investment or settling any other liabilities. For the avoidance of doubt the accrued Performance Fee payable by the Company to the Manager as at the date of termination pursuant to this Clause 11.4(A) will crystallise upon termination and will not be subject to the Net Realised Gains test;

(B) the Investment Manager ceasing to be authorised by the FSA;

(C) fraud by the Manager in respect of its duties under this Agreement or by the Investment Manager in respect of its duties under the Investment Management Agreement;

(D) negligence by the Manager in respect of its duties under this Agreement or by the Investment Manager in respect of its duties under the Investment Management Agreement which has a material adverse effect on the Portfolio, the Fund or its business;

(E) the occurrence of an insolvency, winding up, receivership or administration event (excluding a solvent reorganisation) in respect of the Fund, the Manager or the Investment Manager;

(F) David Baker and Trevor Steel ceasing to act on a full-time basis on behalf of the Investment Manager and a replacement or replacements acceptable to the Directors (in their sole discretion) not being appointed within 90 days; and

(G) if a new manager in replacement of the Manager is appointed (such new manager being a joint venture between the Investment Manager and the Investment Advisers as described in Part I of the Prospectus) and the terms of the new management agreement (as to fees, term, termination and otherwise) are the

same or substantially the same as those of this Agreement as at the date of termination (save for (F) above which will be amended to state that the Fund may terminate the new management agreement forthwith by notice in writing where any three persons from David Baker, Trevor Steel, Francis Johnstone, Stephen Fabian and Jeremy Ayre cease to act on a full-time basis on behalf of any investment manager to the Fund and a replacement or replacements acceptable to the Directors (in their sole discretion) are not appointed within 90 days).

11.5 This Agreement may be terminated forthwith by notice in writing by the Manager in the event of the occurrence of an insolvency, winding up, receivership or administration event (excluding a solvent reorganisation) in respect of the Fund.

11.6 On termination of this Agreement in accordance with its terms, the Manager shall be entitled to receive:

(A) the Management Fee due up to the date of termination, pro-rated on a daily basis;

(B) any Performance Fee accrued at the end of any Performance Period (as defined in Schedule 1 below) which ended on or prior to termination, and which remains unpaid at the date of termination, which shall be payable as soon as, and to the extent that, sufficient cash or other liquid assets are available to the Fund (as determined in good faith by the Directors), provided that such accrued Performance Fee shall be paid prior to the Fund making any new investment or settling any other liabilities;

(C) where termination does not occur at 31 December in any year, any Performance Fee accrued at the date of termination shall be payable as soon as, and to the extent that, sufficient cash or other liquid assets are available to the Fund (as determined in good faith by the Directors), provided that such accrued Performance Fee shall be paid prior to the Fund making any new investment or settling any other liabilities; and

(D) all other monies accrued and due up to the date of termination,

but the Manager shall not, save as provided by Clause 11.2(A), be entitled to compensation in respect of such termination.

For the avoidance of doubt the accrued Performance Fee payable by the Company to the Manager as at the date of termination pursuant to Clauses 11.6(B) and (C) will crystallise upon termination and will not be subject to the Net Realised Gains test.

11.7 On termination of this Agreement the Manager shall at the Fund's reasonable expense provide reasonable co-operation with respect to the orderly migration of the Manager's functions under this Agreement to any replacement manager, and shall deliver or procure to be delivered to the Fund, or as it shall direct all books of account, records, other registers, correspondence, documents and assets relating to the affairs of or belonging to the Fund in the possession of or under the control of the Manager or its nominees or delegates (provided that the Manager may retain copies thereof) and shall take all necessary steps to vest in the Fund or any new manager any assets previously held in the name of or to the order of the Manager on behalf of the Fund.

11.8 On termination of the Investment Management Agreement the Manager shall procure that the Investment Manager shall at the Fund's reasonable expense provide reasonable co-operation with respect to the orderly migration of the Investment Manager's functions under this Agreement to any replacement investment manager, and shall deliver or procure to be delivered to the Manager or Fund (or as otherwise directed by the Manager)

all books of account, records, other registers, correspondence, documents and assets relating to the affairs of or belonging to the Fund in the possession of or under the control of the Investment Manager or its nominees or delegates (provided that the Investment Manager may retain copies thereof).

11.9 Upon termination of this Agreement the discretions, authorities and powers granted to the Manager hereunder shall cease. However, the termination of this Agreement will not affect accrued rights or indemnities and shall be without prejudice to the completion of transactions in respect of which the Investment Manager, on behalf of the Fund, has made a legally binding commitment. Such transactions will be completed by the Investment Manager as soon as practicable. The parties acknowledge that the Fund will bear any losses necessarily incurred by it in settling or concluding outstanding obligations.

11.10 Upon termination in accordance with this Clause 11 the rights and obligations of the parties under this Agreement shall terminate and be of no future effect, except that Clauses 10, 15, 24, 25 and 26 shall remain in full force and effect.

12. Termination upon appointment of a new manager

12.1 Notwithstanding the provisions of Clause 11, the parties agree that if a new entity or entities (such entity or entities being joint ventures between the Investment Manager and the Investment Advisers) is or are formed for the purposes of acting as manager or investment manager (the "Replacement Manager") of the Fund and obtain all required regulatory authorisations, the parties shall ensure that this Agreement is terminated without compensation as soon as is reasonably practicable and the Fund undertakes to immediately thereafter enter into a new management agreement and/or investment management agreement with the Replacement Manager on terms that are substantially the same as those of this Agreement and the Investment Management Agreement as amended and supplemented, as at the date of termination (including as to fees, term, termination and otherwise), subject to Clause 12.2 below.

12.2 For the avoidance of doubt, the parties acknowledge that the appointment of any Replacement Manager as set out in Clause 12.1 shall have no impact on the manner of calculation and payment of the Performance Fee (except that the Replacement Manager shall be the sole recipient of any Performance Fee which relates to the Performance Period during which the Replacement Manager is appointed and any subsequent Performance Period), which shall continue to be calculated on the basis set out in this Agreement and as though this Agreement was still continuing and in full force and effect (in particular with reference to the level of the Hurdle).

13. Conflicts of Interest

13.1 The services of the Manager hereunder are not to be deemed exclusive. The Fund acknowledges that the Manager, the Investment Manager and their Associates or partners, directors, officers and employees may, in their sole discretion from time to time act as manager, investment manager, investment adviser or dealer in relation to, or be otherwise involved in, investment funds other than the Fund or other investment products which have similar objectives to those of the Fund. It is, therefore, possible that any of them may, in the course of business, have potential conflicts of interest with the Fund.

13.2 The Manager has and will comply with a conflicts of interest policy which specifies the procedures that it follows and the measures that it has adopted in order to avoid such conflicts or to manage such conflicts in a way that ensures fair treatment of the Fund.

13.3 The Manager will (having regard in such event to its obligations to the Fund under this Agreement and, in particular, to its obligations to act in the best interests of the Fund so

far as is practicable, having regard to its obligations to other clients) allocate investment opportunities on an equitable basis between the Fund and its other clients. Subject to its compliance with any such obligations, the Manager, the Investment Manager or any of their Associates or any of their partners, directors, officers and employees or any person connected with the Manager and the Investment Manager may invest in, directly or indirectly, or manage or advise other investment funds or accounts which invest in assets which may also be purchased or sold by the Fund. Neither the Manager, the Investment Manager nor any of their Associates nor any of their partners, directors, officers and employees nor any person connected with them shall be under any obligation to offer investment opportunities of which any of them become aware to the Fund or to account to the Fund in respect of (or share with the Fund or inform the Fund of) any such transaction or any benefit received by any of them from any such transaction.

13.4 The Manager will not and will procure that none of its Associates nor any of their partners, directors, officers and employees will deal, as principal or agent for a third party, with the Fund except where dealings are carried out as if effected on normal commercial terms negotiated on an arm's length basis and provided also that, subject to its conflict of interests policy:

(A) the Manager, Investment Manager and any Associate or any of their partners, directors, officers and employees may, without prior reference to the Fund, buy, hold and deal in any Investments upon its individual account notwithstanding that similar Investments may be held by the Fund; and

(B) nothing herein contained shall prevent the Manager, Investment Manager or any Associate or any of their partners, directors, officers and employees without prior reference to the Fund from contracting or entering into any financial or other transaction with any member of the Fund or with any company or body any of whose shares or securities are held by or for the account of the Fund or from being interested in any such contract or transaction.

13.5 For the avoidance of doubt, the Manager, Investment Manager and any of their directors, employees or their related entities may invest in the Fund through the direct or indirect acquisition of Shares. The Manager shall immediately notify the Fund of such acquisition of Shares by notice in writing.

13.6 The parties hereto acknowledge that:

(A) directors, officers, agents and shareholders of the Fund are or may be interested in the Manager, Investment Manager and/or Associates thereof as partners, officers, shareholders or otherwise, and that partners, officers, shareholders and agents of the Manager, Investment Manager and its Associates are or may be interested in the Fund as directors, officers, shareholders, or otherwise;

(B) no person so interested shall be liable to account for any benefit to the other parties by reason solely of such interest; and

(C) the services being supplied by the Manager or any of its Associates to the Fund under this Agreement or otherwise may at the option of the Manager or Associate be supplied through partners, officers or agents who are so interested, subject to prior notification to the Fund.

14. No Licence

14.1 The Fund and the Manager each acknowledge for the benefit of the other that:

(A) no provision of this Agreement grants either of them any rights, except as contained herein, in any intellectual property belonging to or developed by either of the parties; and

(B) this Agreement does not constitute a licence in respect of any such intellectual property.

14.2 The Manager on behalf of itself and its Associates acknowledges and agrees that use of the name "Baker Steel" by the Fund or its Associates does not infringe the Manager's intellectual property rights (or the intellectual property rights of its Associates) and the Manager shall not (and shall procure that its Associates shall not), during the term of this Agreement, object to such use.

14.3 The Fund agrees that on termination of this Agreement or the Investment Management Agreement if so requested by the Manager, it will use reasonable endeavours as soon as reasonably practicable to change its name to a name that does not include "Baker Steel".

15. Confidentiality

15.1 Neither the Manager nor any Associate is obliged to disclose to the Fund or, in making any decision or taking any step in connection with the investment management of the Portfolio, to take into consideration information the disclosure of which by it would or might be a breach of duty or confidence to any other person.

15.2 The Manager and the Fund shall at all times respect and protect the confidentiality of information acquired in consequence of this Agreement except pursuant to any right or obligation to or by which the relevant party may be entitled or bound to disclose information or under compulsion of law, pursuant to the requirements of any competent regulatory or other authorities (including, without limitation, the Guernsey Financial Services Commission and the FSA) or to any service provider appointed by the Fund.

15.3 Nothing in this Clause 15 shall prevent the disclosure of information by either party to its auditors, legal or other professional advisers in the proper performance of their duties.

15.4 Neither of the parties hereto shall do or commit any act, matter or thing which would or might prejudice or bring into disrepute in any manner the business or reputation of the other party or any director or partner of such party.

16. Notices

16.1 Any notice given hereunder shall be in writing and may be delivered by hand, or sent by electronic mail, facsimile or by pre-paid airmail or first class post as appropriate to the registered office or principal place of business for the time being of the party to whom it is addressed or to such other address as may, from time to time be notified.

16.2 Notices given by hand, electronic mail or facsimile shall be deemed to have been given contemporaneously. Notices given by pre-paid airmail or first class post as appropriate shall be deemed to have been given seven days after posting. Evidence that the notice was properly addressed, stamped and put in the post shall be conclusive evidence of posting. Evidence that the facsimile or electronic mail was duly despatched to a current facsimile number or electronic mail address of the addressee shall be conclusive evidence of transmission.

17. Assignment

17.1 This Agreement may not be assigned by either party without the written consent of the other party.

18. **Amendments**

18.1 No variation of this Agreement shall be effective unless made in writing and signed by the parties hereto.

19. **Reservation of Rights**

19.1 The rights, powers, privileges and remedies provided in this Agreement are cumulative and are not exclusive of any rights, powers, privileges or remedies provided by law or otherwise.

19.2 No failure to exercise nor any delay in exercising by either party to this Agreement of any right, power, privilege or remedy under this Agreement shall impair or operate as a waiver thereof in whole or in part.

19.3 No single or partial exercise of any right, power, privilege or remedy under this Agreement shall prevent any further or other exercise thereof or the exercise of any other right, power, privilege or remedy.

20. **Whole Agreement**

20.1 This Agreement together with the Schedules and any document annexed hereto or referred to herein constitutes the entire agreement between the parties in relation to the subject matter hereof and supersedes and extinguishes any prior drafts, agreements, undertakings, representations, warranties and arrangements of any nature, whether in writing or oral, relating to such subject matter.

21. **Severability**

21.1 If any provision of this Agreement shall be held to be illegal, void, invalid or unenforceable under the laws of any jurisdiction, such provision shall be deemed to be deleted from this Agreement as if it had not originally been contained in this Agreement and the legality, validity and enforceability of the remainder of this Agreement in that jurisdiction shall not be affected and the legality, validity and enforceability of the whole of this Agreement in any other jurisdiction shall not be affected. Notwithstanding the foregoing in the event of such deletion the parties shall negotiate in good faith in order to agree the terms of a mutually acceptable and satisfactory alternative provision in place of the provision so deleted.

22. **Counterparts**

22.1 This Agreement may be executed in any number of counterparts, which shall together constitute one Agreement. Either party may enter into this Agreement by signing any such counterpart.

23. **No Partnership**

23.1 Nothing in this Agreement shall constitute or be deemed to constitute a partnership, joint venture or similar relationship between the parties and/or any other person nor, except as expressly provided, shall it constitute, or be deemed to constitute, either party the agent of the other party for any purpose.

24. **Contracts (Rights of Third Parties) Act 1999**

24.1 Except as provided in Clause 10.5 in respect of the rights of the Indemnified Parties and except as expressly set out in this Agreement, no person who is not a party to this Agreement shall have any rights under the Contracts (Rights of Third Parties) Act 1999 to

enforce any term of this Agreement but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

25. **Governing Law**

25.1 This Agreement and any non-contractual obligations arising from or connected with it shall be governed by English law and this Agreement shall be construed in accordance with English law.

26. **Jurisdiction**

26.1 In relation to any legal action or proceedings arising out of or in connection with this Agreement (whether arising out of or in connection with contractual or non-contractual obligations) ("Proceedings"), each of the parties irrevocably submits to the non-exclusive jurisdiction of the English courts and waives any objection to Proceedings in such courts on the grounds of venue or on the grounds that Proceedings have been brought in an inappropriate forum.

IN WITNESS whereof the parties hereto have caused this Agreement to be signed as of the day and year first above written.

SIGNED by)
for and on behalf of)
BAKER STEEL RESOURCES TRUST LIMITED)



SIGNED by)
for and on behalf of)
BAKER STEEL CAPITAL MANAGERS)
(CAYMAN) LIMITED)

IN WITNESS whereof the parties hereto have caused this Agreement to be signed as of the day and year first above written.

SIGNED by)
for and on behalf of)
BAKER STEEL RESOURCES TRUST LIMITED)

SIGNED by)
for and on behalf of)
BAKER STEEL CAPITAL MANAGERS)
(CAYMAN) LIMITED)



SCHEDULE 1: PERFORMANCE FEE CALCULATION

1. The Manager will be entitled (subject to the availability of Net Realised Gains (as defined at paragraph 2 below)) to a Performance Fee if the Net Asset Value at the end of any Performance Period (as defined below) (having made adjustments for any issue and/or repurchase of Ordinary Shares) exceeds the Hurdle as at the end of the Performance Period. For this purpose, the "Hurdle" means an amount equal to the Issue Price multiplied by the number of Shares in issue as at Admission as increased at a rate of 8 per cent. per annum compounded to the end of the relevant Performance Period. In respect of the first Performance Period and any other Performance Period which is less than a full 12 months, the Hurdle will be applied pro rata. If Ordinary Shares are issued and/or repurchased during a Performance Period, the Fund and the Manager agree to make appropriate adjustments to the basis on which the Performance Fee for that Performance Period is calculated to take account of the proceeds of the issue or the payment of the repurchase price of such Ordinary Shares and the timing of receipt of such issue proceeds or the payment of such repurchase price.

2. The Performance Fee, if any, in respect of any Performance Period shall be accrued in the Fund's NAV calculation each month and, save as provided in respect of repurchases during a Performance Period, shall, in whole or in part, become due and be paid only after the end of the Performance Period upon the first day as of which there are Net Realised Gains (as adjusted for Performance Fees previously paid otherwise than on repurchases) from which such fee or part of it may be paid. For this purpose, "Net Realised Gains" means all of the Fund's realised gains net of all realised losses from time to time, measured in accordance with the accounting policies. For the avoidance of any doubt, any realised losses arising after the end of a Performance Period will not reduce the amount of the Performance Fee to which the Manager is entitled in respect of such Performance Period pursuant to this schedule. However, such realised losses will be taken into account when calculating the availability of Net Realised Gains in order to determine when such Performance Fee becomes due and payable to the Manager.

3. The amount of the Performance Fee (if any) will be 15 per cent. of the total increase in the Net Asset Value at the end of the relevant Performance Period over the highest previously recorded Net Asset Value as at the end of a Performance Period in respect of which a Performance Fee was last accrued (or the Issue Price multiplied by the number of Shares in issue as at Admission, if no Performance Fee has been so accrued), having made adjustments for any Ordinary Shares issued and/or repurchased as described in 1. above.

4. The first performance period in respect of the Ordinary Shares will commence on the date of Admission and will end on 31 December 2010 and, thereafter, is each 12 month period ending on 31 December in each year (the "Performance Period"). The last Performance Period will end on the earlier of the date on which this Agreement is terminated or the Fund is wound up.

5. Where Ordinary Shares are repurchased during a Performance Period, the accrued Performance Fee, if any, in respect of the assets attributable to such Ordinary Shares will be payable on the date of repurchase on the basis set forth above.

6. In the event that the parties are in dispute in respect of any matter governed by this schedule, within 30 days following the service of a written notice of such dispute by one party upon the other party either party may refer the matter or matters in dispute to an independent firm of accountants (the "Expert") agreed upon between them, or failing such agreement within 5 days of service of such notice to be selected at the instance of either party by the President for the time being of the Institute of Chartered Accountants of England and Wales (ICAEW). The parties shall use their respective reasonable

endeavours to procure that the Expert delivers its decision within such time as may be stipulated in its terms of reference. Such Expert shall act as an expert and not as arbitrator and shall determine the matter or matters in dispute (which may include any dispute concerning the interpretation of any provision of this Agreement or its jurisdiction to determine the dispute or the content or interpretation of its terms of reference) and its decision shall be final and binding on the parties hereto. Each of the parties hereto shall provide to the Expert such information as the Expert may reasonably require a party to provide for the purpose of determining the dispute and which such party has in its possession or under its control. The Expert may so far as is reasonable instruct valuers, solicitors and other professional advisers to the extent that it considers necessary to reach its determination.

7. The fees and expenses of the Expert (including the fees and expenses of any professional advisers appointed by it as aforesaid) and any professional fees incurred by the parties hereto in relation to the dispute shall be borne by the parties hereto equally or in such other proportions as the Expert shall direct.

SCHEDULE 2: AGREED FORM INVESTMENT MANAGEMENT AGREEMENT

SCHEDULE 3: MANAGER'S DUTIES AS DISTRIBUTOR

This Schedule sets out the terms and conditions under which the Manager shall appoint the Manager as a distributor in respect of the Shares.

1. **Appointment of the Manager**

1.1 It is expressly agreed that the services of the Manager provided pursuant to this Schedule are not exclusive to the Fund and the Manager shall be permitted to act in any capacity whatsoever, for or on behalf of, and to be involved, as distributor or otherwise, in the incorporation of, or promotion and sale of shares or securities or other interests in, any company, partnership, mutual fund or other investment body, corporate or unincorporated, in addition to the Fund (provided that the provision of its services hereunder are not impaired thereby) and the Manager shall not be liable to account for any profit earned from any such activity.

1.2 All activities engaged in under the provisions of this Schedule by the Manager shall be subject to the overall policies, directions and control of the Directors as notified to the Manager from time to time, and the Manager shall at all times in the performance of its duties hereunder observe and comply with the provisions of the Articles and the Prospectus.

2. **Appointment of Sales Agents by the Manager**

2.1 The Manager shall be entitled to appoint and delegate all or part of its duties and functions as distributor of the Shares hereunder to one or more sales agents upon such terms as to remuneration and otherwise as it shall determine. The Manager shall not be liable for the acts and omissions of such sales agents provided such appointment shall have been made in good faith.

2.2 The Fund shall, on the reasonable request of the Manager, join in any sales agent agreement to be entered into between the Manager and any sales agent and, for the avoidance of doubt, shall, if requested by the Manager, make to such sales agent any of the representations and warranties made by the Fund in this Schedule.

3. **Duties as Distributor**

3.1 The Manager shall (subject to Paragraph 3.2) promote the sale of the Shares and in particular (without limiting the generality of the foregoing) the Manager shall use all reasonable endeavours to:-

(A) promote the sale of and to procure subscribers for the Shares;

(B) promote investment interest in the Fund;

(C) provide and maintain any necessary and relevant investor services;

(D) advise the Directors concerning all actions which it appears to the Manager that the Fund should consider taking to achieve effective promotion of investment interest in the Fund; and

(E) attend, if so requested by the Directors, meetings held by the Fund for the discussion of marketing strategy and progress in respect of the sale of the Shares.

3.2 Without limiting the generality of Paragraph 3.1, the Manager:

(A) shall not in connection with its duties and functions as distributor incur any liability on behalf of the Fund or in any way pledge or purport to pledge the credit of the Fund or accept or make any contract binding upon the Fund;

(B) shall not make or purport to make any representation or give or make or purport to give or make any warranty on behalf of the Fund other than with the consent of the Directors or as contained in the Prospectus or otherwise as envisaged by this Schedule;

(C) shall observe the terms and conditions relating to the promotion of the Fund and to the issue and sale of the Shares whether attached by sales documentation issued by the Fund (including, without limitation, the Prospectus) or by any directions of the Fund notified to the Manager by the Directors, or imposed by law or regulations having the force of law in the relevant jurisdiction and in particular, but without limitation, the Manager shall not promote the Fund or procure or seek to procure subscriptions for the Shares from any person (whether an individual, firm or corporation) which is ineligible by reason of nationality or otherwise, to invest in the Fund; and

(D) shall comply with and assist in any investigation or other acts as shall be required under any law or regulation relating to the prevention of money laundering affecting the Fund.

4. **Duties of the Fund**

4.1 The Fund shall provide the Manager with (or procure the provision to the Manager of) such information or advice relating to or in connection with the Fund which it is reasonably necessary for the Manager to receive with a view to the proper discharge of its duties and functions hereunder or which the Manager shall reasonably request for such purpose.

4.2 The Fund shall use reasonable endeavours to effect such registrations and undertake such other acts as may be reasonably practicable to increase the marketability of Shares in such jurisdictions as the Fund and the Manager shall from time to time agree and shall otherwise use reasonable endeavours to expand the marketing opportunities for the Fund. The Fund shall bear the costs and expenses of all such registrations and other acts referred to above.

4.3 The Fund shall provide the Manager (at the cost of the Fund) with such copies of the Prospectus, half-yearly and annual reports and such other documents issued by or relating to the Fund from time to time as the Manager shall reasonably request.

4.4 The Fund will notify the Manager immediately if any of the information or advice provided by or on behalf of the Fund under this Paragraph 4 (including any document provided under Paragraph 4.3) shall cease to be true and accurate in any material respect or shall have become misleading in any material respect.

4.5 The Fund will require the Administrator:

(A) to send to the Manager (or any sales agent notified by the Manager), if requested, by facsimile transmission a copy of every application for Shares (or notice of proposed transfer of Shares) received by the Administrator immediately upon receipt of the same;

(B) to liaise and co-operate generally with the Manager (or any sales agent) to enable it to fulfil the obligations set out in Paragraph 3; and

(C) not to accept any application for Shares or proposed transfer of Shares until the Administrator is satisfied as to the identity of any applicant and, such applicant has made the certification, warranties and declaration required of all investors on the relevant Application Form.

5. **Announcements**

5.1 As far as reasonably practicable the Fund will procure that no public announcement or communication to any person concerning the Fund will be made or despatched by the Fund without prior consultation with the Manager as to the content, the timing and the manner of making or despatch thereof and as to the person or persons to whom the same may be made or despatched and the Fund will take into account all reasonable requirements on the Manager's part in relation thereto.

6. **Representation, Liability and Indemnities**

6.1 In addition to the warranties provided by the Fund in Clause 4, the Fund hereby represents and warrants to the Manager that:-

(A) the Fund is not engaged in and does not have pending or threatened against it any legal or arbitration proceedings and, to the best of the knowledge, information and belief of the Fund and its directors, there are no circumstances that are likely to give rise to any such legal or arbitration proceedings;

(B) all consents, approvals, authorisations or other orders of any regulatory authorities required by the Fund for or in connection with the issue or marketing of the Shares or execution of, or compliance with the terms of, this Agreement or the carrying on by the Fund of its current business have been obtained and are in full force and effect;

(C) no circumstance has arisen or, to the best of the knowledge, information and belief of the Fund, is likely to arise such that it would constitute or result in a default or the acceleration or breach of any obligation under any agreement, instrument or arrangement to which the Fund is a party or by which it or its property, revenues or assets are bound and which would in any such case have a material adverse effect on the business or prospects of the Fund;

(D) the Fund has power under its Articles to issue the Shares and to enter into and perform its obligations under this Agreement and to carry on its current business without any further sanction or consent by members of the Fund or any class of them;

(E) there are in force no options or other agreements which call for the issue of or accord to any person the right to call for the issue of any shares in the capital of the Fund or any securities convertible into (or carrying rights to subscribe for) such shares;

(F) neither the issue of the Shares nor the entering into and performance of this Agreement by the Fund will infringe, or exceed any limitations on, any powers of or restrictions on the Fund or its directors imposed or granted by its Articles or otherwise howsoever, or conflict with or constitute a breach of the terms of any contract, security, obligation, or arrangement (whether or not relating to indebtedness) binding upon the Fund, its directors, its properties or assets; and

(G) the Fund has not taken any action nor, to the best of the knowledge, information and belief of the Fund and the Directors, have any other steps been taken or legal proceedings commenced or threatened against the Fund for its winding up or

dissolution or for it to enter into any arrangement or composition with its creditors, or for the appointment of an administrative receiver, administrator, trustee or similar officer of it or any of its properties, revenues or assets.

6.2 The Fund undertakes to notify the Manager immediately of any and all information of which it is or becomes aware at any time which would, or might, indicate that any of the warranties set out in Clause 4 and this Schedule are not, or have ceased to be, or would not be if then repeated with reference to the facts and circumstances then prevailing, true and accurate in all material respects or are or have become misleading in any material respects (or any information which would have affected any of the same if this Agreement had been entered into immediately thereafter) and to take such steps as may be reasonably requested by the Manager to remedy and/or publicise the same.

6.3 The Fund hereby undertakes to indemnify and hold the Manager harmless from and against all or any claims, actions, liabilities, demands, proceedings or judgments ("Proceedings") brought or established against the Manager in its capacity as distributor by any subscriber or purchaser of any of the Shares or any subsequent purchaser or transferee of any of the same, or by any other person, governmental agency or regulatory body whatsoever (including without limitation any person to whom the Manager delegates its functions, powers and duties hereunder) and against all losses and all reasonable costs, charges and expenses (including legal fees) which the Manager may suffer or incur (including, but not limited to, all such losses, costs, charges or expenses reasonably suffered or incurred in disputing or defending any Proceedings and/or in establishing its right to be indemnified pursuant to this Paragraph 6 and/or in seeking advice in relation to any Proceedings) and which in any such case arise directly or indirectly in connection with or out of any breach or alleged breach by the Fund of any of its obligations and undertakings under this Schedule or as a result of any of the information or advice provided by or on behalf of the Fund pursuant to Paragraph 4 being untrue, inaccurate or misleading in any material respect and which does not arise from the wilful default, bad faith or negligence of the Manager.

7. Selling Restrictions

7.1 The Manager agrees with and undertakes to the Fund that it has not offered, sold or effected a placement of, and agrees not to offer, sell or effect a placement of, the Shares save upon the terms of this Schedule and in compliance with applicable laws and regulations in the relevant jurisdiction and (without prejudice to the generality of the foregoing) acknowledges and agrees that:-

(A) The Manager will comply, and will use all reasonable endeavours to procure that any sales agents which it may appoint pursuant to this Agreement will comply, with all applicable laws and regulations in the relevant jurisdiction. Furthermore, it has not, directly or indirectly, offered, sold or delivered and will not, directly or indirectly, offer, sell or deliver any Shares or distribute or publish any prospectus, application form, offering circular, advertisement or other offering material in the relevant jurisdiction except under circumstances that will, to the best of its knowledge and belief, result in compliance with any applicable laws and regulations, and all offers, sales and deliveries of Shares by it have been and will be made on the same terms.

(B) The Manager is not authorised to give and will procure that any sales agent it may appoint will not give any information or make any representation in connection with the offering, issue, subscription and sale of the Shares other than information contained in the Prospectus and any other document approved by the Fund from time to time or required solely to comply with applicable law. The Manager undertakes with the Fund to indemnify, defend and hold harmless the Fund against

any losses, liabilities, claims, charges, expenses, actions and demands which the Fund may incur or which may be made against the Fund arising out of, or in connection with, (a) the making by it of any unauthorised representation or the giving by it of any information of a type not described above or (b) any failure by it to observe any of the restrictions or agreements contained in this Paragraph 7.

7.2 References in this Paragraph 7 to Shares include any interest in the Shares.