

BLAKE DAWSON WALDRON

L A W Y E R S

CMSL Management Agreement

Challenger Management Services Limited

ABN 29 092 382 842

Challenger Listed Investments Limited

ABN 94 055 293 644

as responsible entity for CIF Investment Trust 1 (ARSN 114 139 703) and CIF Investment
Trust 2 (ARSN 114 139 632)

Execution copy

14 July 2005

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CONTENTS

1.	INTERPRETATION	1
	1.1 Definitions	1
	1.2 Rules for interpreting this agreement	4
2.	SERVICES	5
	2.1 Manager to provide the services	5
	2.2 Transaction Services	5
	2.3 Non-exclusive engagement	5
	2.4 Performance by Manager group	6
3.	HOW SERVICES ARE TO BE PROVIDED	6
	3.1 Principal's directions	6
	3.2 Personnel	6
	3.3 Subcontracting	7
	3.4 Access	7
	3.5 Standard of performance	7
4.	MANAGER'S STATUS	7
	4.1 Independent contractor	7
	4.2 Responsibility for Employee Benefits	8
5.	CHARGES AND PAYMENT	8
	5.1 Charges	8
	5.2 Invoicing	8
	5.3 Payment	8
	5.4 Disputed Invoices	8
6.	DEFAULT INTEREST	9
	6.1 The Principal must pay interest	9
	6.2 Accrual and calculation of interest	9
7.	GST	9
	7.1 GST payable	9
	7.2 Invoice	9
	7.3 Adjustments	9
	7.4 Claims and Indemnities	9
8.	WARRANTIES	10
	8.1 Warranties of the Principal	10
	8.2 Warranties of Manager	11

8.3	Inaccurate warranty	13
9.	LIABILITIES AND INDEMNITIES	13
9.1	Disclaimer of implied warranties	13
9.2	Implied warranties and conditions	13
9.3	No liability for consequential loss	13
9.4	Release from and indemnity against Claims	13
10.	TERM	14
10.1	Term	14
10.2	Termination by the Manager	14
10.3	Initial Term	14
10.4	Termination by the Principal	14
10.5	Claims, rights and obligations	15
11.	TRUSTEE CAPACITY	15
11.1	Capacity and liability	15
12.	CONFIDENTIALITY	16
12.1	Confidential Information	16
12.2	Return of Confidential Information	16
12.3	Terms of this agreement	16
12.4	Exceptions	16
13.	NOTICES	16
14.	AMENDMENT AND ASSIGNMENT	17
14.1	Amendment	17
14.2	Assignment	17
14.3	Change in responsible entity	17
15.	GENERAL	17
15.1	Governing law	17
15.2	Liability for expenses	17
15.3	Giving effect to this agreement	18
15.4	Waiver of rights	18
15.5	Operation of this agreement	18
15.6	Operation of indemnities	18
15.7	Consents	18
15.8	Statements by the Manager	19
15.9	Counterparts	19
15.10	Attorneys	19

Schedule

1	MANAGEMENT SERVICES	20
2	CHARGES AND PAYMENT	21

CMSL MANAGEMENT AGREEMENT

DATE 14 JULY 2005

PARTIES

Challenger Management Services Limited ABN 29 092 382 842 (**Manager**)

Challenger Listed Investments Limited ABN 94 055 293 644 as responsible entity for CIF Investment Trust 1 (ARSN 114 139 703) and CIF Investment Trust 2 (ARSN 114 139 632) (**Principal**)

RECITALS

- A. The Principal wishes to engage the Manager to perform the Services.
- B. The Manager agrees to perform the Services on the terms set out in this agreement.

OPERATIVE PROVISIONS

1. INTERPRETATION

1.1 Definitions

The following definitions apply in this agreement.

Associate has the meaning given in the Corporations Act.

Assets means the interests in Gas Network Limited (registered number 5213525), MGN Gas Networks (UK) Limited (registered number 5095454), and Macquarie UK Broadcast Holdings Limited (registered number 5254001) or their subsidiaries in the form of shares or loan notes held directly or indirectly by Challenger Life and to be acquired from Challenger Life indirectly by CIF.

Authorisation means:

- (a) an approval, authorisation, consent, declaration, exemption, licence, notarisation, permit or waiver, however it is described, and including any condition attaching to it; and
- (b) in relation to anything that could be prohibited or restricted by law if a Government Agency acts in any way within a specified period, the expiry of that period without that action being taken,

including any renewal or amendment.

Business Day means a day that is not a Saturday, Sunday or public holiday in Sydney.

Challenger means Challenger Financial Services Group Limited (ABN 85 106 842 371).

Challenger Life means Challenger Life No. 2 Limited ABN 44 072 486 938.

CIF means CIF Investment Trust 1 (ARSN 114 139 703) and CIF Investment Trust 2 (ARSN 114 139 632).

Claim means a claim, action, proceeding or demand made against the person concerned, however it arises and whether it is present or future, fixed or unascertained, actual or contingent.

Commencement Date means the date on which CIF directly or indirectly acquires one or more of the Assets.

Confidential Information means any information disclosed by the Principal or by any related body corporate of the Principal to the Manager before or after the date of this agreement or any information developed by the Manager in the course of performing the Services, but excludes information that:

- (a) was in the public domain at the date of this agreement;
- (b) became part of the public domain after the date of this agreement otherwise than as a result of disclosure by the Manager in breach of this agreement; or
- (c) was in the Manager's possession at the time of disclosure by the Principal to the Manager.

Constitutions means the constitution of each of CIF Investment Trust 1 (ARSN 114 139 703) and CIF Investment Trust 2 (ARSN 114 139 632).

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

Fees means the Management Fees and any additional fee payable under paragraphs 2(c) and (e) of Schedule 2.

Government Agency means:

- (a) a government or government department or other body;
- (b) a governmental, semi-governmental or judicial person; or
- (c) a person (whether autonomous or not) who is charged with the administration of a law.

GST means:

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

GST Law means the same as "GST law" means in *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

Initial Term means the period specified in clause 10.3(a).

Insolvency Event means, for a person, being in liquidation or provisional liquidation or under administration, having a controller (as defined in the Corporations Act) or analogous person appointed to it or any of its property, being taken under section 459F(1) of the Corporations Act to have failed to comply with a statutory demand, being unable to pay its debts or otherwise insolvent, dying, ceasing to be of full legal capacity or otherwise becoming incapable of managing its own affairs for any reason, taking any step that could result in the person becoming an insolvent under administration (as defined in section 9 of the Corporations Act), entering into a compromise or arrangement with, or assignment for the benefit of, any of its members or creditors, or any analogous event.

Liability means a duty, liability or obligation affecting the person concerned, however it arises and whether it is present or future, fixed or unascertained, actual or contingent.

Loss means a damage, loss, cost, expense or liability incurred by the person concerned, however it arises and whether it is present or future, fixed or unascertained, actual or contingent.

Management Fees means the fees payable to the Manager under paragraph 1 of Schedule 2 and in accordance with this agreement.

Management Services means services described in schedule 1.

Member means a person whose name is entered in the register of members of CIF as the holder of a unit or units in CIF.

Out of Pocket Expenses means all, costs, charges and expenses properly and reasonably incurred by the Manager and paid for or payable out of the Manager's own funds in connection with the provision of the Services but excluding all in-house administration costs of the Manager in the nature of rent for Manager's premises, computer charges, salaries, overheads and like expenses and payments to subcontractors (which for the avoidance of doubt does not include legal advisors or other professional advisors).

Personnel means the officers, employees, and agents of the Manager.

related body corporate has the meaning given in the Corporations Act.

Second Instalment Payment Date means the date on which the balance of the issue price of a Class A Security is payable or the date on which the obligation to pay the outstanding issue price is cancelled.

Services means the Management Services.

Tax means a tax, levy, duty, charge, deduction or withholding, however it is described, that is imposed by law or by a Government Agency, together with any related interest, penalty, fine or other charge, other than one that is imposed on net income in any jurisdiction.

Tax Act means the *Income Tax Assessment Act 1936* (Cth) and the *Income Tax Assessment Act 1997* (Cth), jointly, as applicable.

Term means the period specified in clause 10.1.

Transaction Services has the meaning set out in clause 2.2(a).

1.2 Rules for interpreting this agreement

Headings are for convenience only, and do not affect interpretation. The following rules also apply in interpreting this agreement, except where the context makes it clear that a rule is not intended to apply.

- (a) A reference to:
 - (i) legislation (including subordinate legislation) is to that legislation as amended, re-enacted or replaced, and includes any subordinate legislation issued under it;
 - (ii) a document or agreement, or a provision of a document or agreement, is to that document, agreement or provision as amended, supplemented, replaced or novated;
 - (iii) a party to this agreement or to any other document or agreement includes a permitted substitute or a permitted assign of that party;
 - (iv) a person includes any type of entity or body of persons, whether or not it is incorporated or has a separate legal identity, and any executor, administrator or successor in law of the person; and
 - (v) anything (including a right, obligation or concept) includes each part of it.
- (b) A singular word includes the plural, and vice versa.
- (c) A word which suggests one gender includes the other genders.
- (d) If a word is defined, another part of speech has a corresponding meaning.
- (e) If an example is given of anything (including a right, obligation or concept), such as by saying it includes something else, the example does not limit the scope of that thing.
- (f) The word **agreement** includes an undertaking or other binding arrangement or understanding, whether or not in writing.
- (g) Words defined in the GST Law have the same meaning in clauses 1.2(h) and (i), and 7.
- (h) If a person is a member of a GST group, references to GST which the person must pay and to input tax credits to which the party is entitled include GST which the

representative member of the GST group must pay and input tax credits to which the representative member is entitled.

- (i) References to GST extend to any notional liability of any person for GST and to any amount which is treated as GST under the GST Law, and references to an input tax credit extend to any notional input tax credit to which any person is entitled.

2. SERVICES

2.1 Manager to provide the services

The Manager must provide or procure the provision of the Services continuously during the Term.

2.2 Transaction Services

- (a) The parties acknowledge and agree that the Management Services do not include advising the Principal in relation to the identification of potential investment opportunities or the acquisition or disposal of investments, including carrying out any due diligence, negotiation, financial structuring or other services requested by the Principal in connection with such acquisitions or disposals (**Transaction Services**).
- (b) The scope of any Transaction Services and the fee payable for the provision of any Transaction Services will be agreed on arm's length terms between the parties from time to time.

2.3 Non-exclusive engagement

The parties acknowledge and agree that:

- (a) the Manager is not obliged by this agreement to provide management services or transaction services exclusively to the Principal and may provide management, transaction or other services to other related or third parties, including competitors of the Principal (**third party**) at its sole discretion; and
- (b) where the Manager has also been engaged by a third party to provide management, transaction or other services:
 - (i) the Manager may act on behalf of both the Principal and the third party, including, for the avoidance of doubt, where doing so leads to the mixing of any assets of the Principal and the third party, on the condition that the Manager ensures, and has the proper processes and procedures in place to ensure, that the interests of both parties are protected and the Manager is acting in the best interests of both parties individually at all times;
 - (ii) where the Manager believes that the Principal and a third party each have an interest in an investment opportunity that it has identified the Manager is under no obligation to provide priority to the interests of the Principal and may elect not to notify the Principal of the investment opportunity; and

-
- (iii) subject to clause 2.3 (b)(ii) where the relevant interests of the Principal in relation to provision of the Services and a third party conflict, the Manager will:
 - (A) immediately notify the Principal and the third party of the conflict; and
 - (B) put in place adequate internal policies and procedures to manage the conflict such that the interests of both the Principal and the third party are protected, provided that if, in the Manager's opinion, it is not reasonably practicable to manage the conflict internally, the Manager may notify the Principal and the third party that it cannot continue to act for either one of them in respect of the matter which is the subject of the conflict until the Principal and the third party have resolved the conflict and each instructed the Manager how to proceed.
 - (iv) where the Principal and a third party each have an interest in the same investment, the Manager will apportion the costs it has properly and reasonably incurred in providing any management or transaction services for the benefit of and with the authorisation of both parties, in proportion to each party's interest in the investment or as otherwise agreed between the Principal and the third party.

2.4 Performance by Manager group

The Manager must ensure that any of its employees, agents and contractors and any of its related bodies corporate and their employees, agents and contractors (whether or not they are Personnel) which perform obligations imposed on the Manager by this agreement, do so in accordance with this agreement. In consideration of performing their obligations each of those persons is to have the benefit of any provision of this agreement conferring on the Manager a release, indemnity or limitation of liability and the Manager enters that provision on its own behalf, and as agent of and trustee for each of those persons.

3. HOW SERVICES ARE TO BE PROVIDED

3.1 Principal's directions

The Manager must use all reasonable endeavours to comply with all reasonable directions of the Principal in relation to the provision of the Services.

3.2 Personnel

The Manager may use such of its Personnel (who may include a related body corporate of the Manager) as it reasonably considers fit and who are able to properly provide the Services, either full-time or in addition to providing services for the Manager or other persons.

3.3 Subcontracting

- (a) The Manager may engage subcontractors to perform the Services with the prior written consent of the Principal, such consent not to be unreasonably withheld.
- (b) The Manager must ensure that all subcontractors engaged by it perform the subcontracted Services in accordance with, and to the level of performance required by, this agreement.
- (c) The Manager remains subject to all duties and obligations provided for by this agreement in respect of the performance of any Services which are performed by any subcontractor, or their respective employees or agents, on the Manager's behalf.
- (d) The Manager will be liable to the Principal for the acts and omissions of its subcontractors and their respective employees and agents as if they were the acts and omissions of the Manager; and
- (e) The Manager must pay any subcontractor directly for providing Services on its behalf and the Manager acknowledges and agrees that the Principal is not obliged to make any payment whatsoever to any subcontractor or any subcontractor's representative, agents or employees.

3.4 Access

The Principal must, where the Manager reasonably considers it appropriate in order to properly provide the Services, ensure that the Manager has full and safe access to the Principal's premises and to all equipment, materials, information and facilities reasonably required to enable provision of the Services.

3.5 Standard of performance

The Manager must provide the Services:

- (a) using reasonable endeavours to comply with every applicable law;
- (b) to generally accepted standards for reputable providers of investment management services similar to the Services; and
- (c) with due care, diligence and skill.

4. MANAGER'S STATUS

4.1 Independent contractor

The Manager is engaged as an independent contractor. Unless otherwise stated in this agreement, nothing in this agreement constitutes the Manager an employee, agent, partner or joint-venturer of the Principal.

4.2 **Responsibility for Employee Benefits**

The Manager is responsible for the following outgoings payable to or in respect of the Personnel:

- (a) remuneration and benefits, including superannuation contributions (if applicable), annual leave, sick leave, long service leave, overtime and penalty rates and provision of accommodation and sustenance;
- (b) imposts or levies imposed by law, such as work care levies, group tax, payroll tax, fringe benefits tax, superannuation guarantee charges; and
- (c) payments upon termination of service (including on redundancy).

5. **CHARGES AND PAYMENT**

5.1 **Charges**

The Principal must pay for the Services in accordance with schedule 2.

5.2 **Invoicing**

The Manager may issue invoices to the Principal for the Services in accordance with schedule 2.

5.3 **Payment**

Subject to clause 5.4 concerning reasonable disputes, the Principal must pay the Manager in accordance with schedule 2 and within 30 Business Days after receipt of an invoice issued in accordance with schedule 2.

5.4 **Disputed Invoices**

If the Principal reasonably disputes the whole or any part of the amount claimed in an invoice submitted by the Manager on the ground that it is for work not properly performed in accordance with this agreement, the Principal:

- (a) must pay the undisputed part of the amount claimed in the invoice;
- (b) must within 5 Business Days of receipt of the invoice notify the Manager of why the rest of the invoice is disputed; and
- (c) if it is resolved that some or all of the disputed amount should have been paid when it was invoiced, must pay the amount resolved plus interest on that amount in accordance with clause 6.

6. **DEFAULT INTEREST**

6.1 **The Principal must pay interest**

The Principal must pay interest on each amount that is not paid when due, from (and including) the day on which it falls due to (but excluding) the day on which it is paid in full, at the rate equal to the sum of Australia and New Zealand Banking Group Limited's "Indicator Interest Rate" for that day and 1% per annum.

6.2 **Accrual and calculation of interest**

Interest under this clause:

- (a) accrues daily; and
- (b) is calculated on the basis of the actual number of days on which interest has accrued and of a 365 day year.

7. **GST**

7.1 **GST payable**

If a party (**supplier**) is liable to pay GST on any supply under or in connection with this agreement, the party liable to provide the consideration for that supply (**recipient**) must pay to the supplier an additional amount equal to that GST and at the same time as it must provide the consideration otherwise payable for that supply.

7.2 **Invoice**

The supplier must issue a tax invoice (or an adjustment note) to the recipient for any supply for which the supplier may recover GST from the recipient under this agreement, and must include in the tax invoice (or adjustment note) the particulars required by the GST Law.

7.3 **Adjustments**

The Manager must promptly create an adjustment note for, or apply to the Commissioner for, a refund of, and refund to the Principal any overpayment by the recipient for GST, but the Manager need not refund to the Principal any amount for GST paid to the Commissioner of Taxation unless the Manager is entitled to a refund or credit of that amount.

7.4 **Claims and Indemnities**

- (a) If a party has a claim under or in connection with this agreement for a cost on which that party must pay an amount for GST, the claim is for the cost plus the amount for GST (except any amount for GST for which that party is entitled to an input tax credit).
- (b) If a party has a claim under or in connection with this agreement whose amount depends on actual or estimated revenue or which is for a loss of revenue, revenue must be calculated without including any amount received or receivable as

reimbursement for GST (whether that amount is separate or included as part of a larger amount).

8. WARRANTIES

8.1 Warranties of the Principal

The Principal represents and warrants that:

- (a) **(status of company)** it is a company limited by shares under the Corporations Act;
- (b) **(power)** it has full legal capacity and power to:
 - (i) own its property and to carry on its business; and
 - (ii) enter into this agreement and to perform its obligations under this agreement;
- (c) **(corporate authority)** it has taken all corporate action that is necessary or desirable to authorise its entry into this agreement and the performance of its obligations under this agreement;
- (d) **(Authorisations)** it holds each Authorisation that is necessary or desirable to:
 - (i) enable it to properly execute this agreement and to perform its obligations under this agreement;
 - (ii) ensure that this agreement is legal, valid, binding and admissible in evidence; or
 - (iii) enable it to properly carry on its business,and it is complying with any conditions to which any of these Authorisations is subject;
- (e) **(no contravention)** neither its execution of this agreement nor the performance of its obligations under this agreement, does or will contravene:
 - (i) any law to which it or any of its property is subject or any order of any Government Agency that is binding on it or any of its property;
 - (ii) any Authorisation;
 - (iii) any undertaking or instrument binding on it or any of its property;
 - (iv) its constitution;
- (f) **(no Insolvency Event)** it is not affected by an Insolvency Event;
- (g) **(no dispute or litigation)** no litigation, arbitration, mediation, conciliation or administrative proceedings are taking place, pending or, to the knowledge of any of

its officers after due inquiry threatened which, if adversely decided, would in its opinion, have a material adverse effect on it; and

in relation to each trust making up CIF:

- (h) **(status of trust)** the trust is duly constituted and has not terminated, nor has the date or any event occurred for the vesting of the trust fund;
- (i) **(status as trustee)** it is the sole trustee of the trust, it has not given any notice of resignation and no action has been taken to remove it or to appoint an additional trustee of the trust;
- (j) **(trust power)** it has full legal capacity and power under the trust deed to:
 - (i) own the trust fund and carry on the business of the trust as it is now being conducted; and
 - (ii) enter into this agreement and to carry out the transactions that this agreement contemplates,as trustee of the trust;
- (k) **(trust authority)** all action that is necessary or desirable under the trust deed or at law to:
 - (i) authorise its entry into this agreement and its carrying out the transactions that this agreement contemplates;
 - (ii) ensure that this agreement is legal, valid and binding on it as trustee of the trust and admissible in evidence against it in that capacity; and
 - (iii) enable it to properly carry on the business of the trust,has been taken; and
- (l) **(benefit of beneficiaries)** it is entering into this agreement as part of the proper administration of the trust, for the commercial benefit of the trust and for the benefit of the beneficiaries of the trust.

8.2 Warranties of Manager

The Manager warrants and represents to the Principal:

- (a) **(status)** it is a company limited by shares established under the *Corporations Act 2001(Cth)*;
- (b) **(power)** it has full legal capacity and power to:
 - (i) carry on its business; and
 - (ii) enter into this agreement;

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- (c) **(corporate authority)** it has taken all corporate action that is necessary or desirable to authorise its entry into this agreement and its carrying out the duties and obligations that this agreement contemplates;
- (d) **(Authorisations)** it holds each Authorisation that is necessary or desirable to:
- (i) enable it to properly execute this agreement and to carry out the duties and obligations that this agreement contemplates;
 - (ii) ensure that this agreement is legal, valid, binding and admissible in evidence; or
 - (iii) enable it to properly carry on its business,
- and it is complying with any conditions to which any such Authorisations is subject;
- (e) **(documents effective)** this agreement constitutes its legal, valid and binding obligations, enforceable against it in accordance with its terms (except to the extent limited by equitable principles and laws affecting creditors' rights generally), subject to any necessary stamping or registration;
- (f) **(no contravention)** neither its execution of this agreement nor the carrying out by it of the duties and obligations that this agreement contemplates, does or will:
- (i) contravene any law to which it or any of its property is subject or any order of any Government Agency that is binding on it or any of its property;
 - (ii) contravene any Authorisation;
 - (iii) contravene any undertaking or instrument binding on it or any of its property; or
 - (iv) contravene its constitution;
- (g) **(no litigation)** no litigation, arbitration, mediation, conciliation or administrative proceedings are taking place, pending, or to the knowledge of any of its officers after due inquiry, threatened which, if adversely decided, could have a material adverse effect on its ability to perform its obligations under this agreement;
- (h) **(performance of obligations):**
- (i) that it has and will at all times during the term of this agreement use all reasonable endeavours to ensure that it has the skill, facilities, capacity and staff necessary to properly perform the duties and obligations under this agreement in a professional and timely manner;
 - (ii) that it will use all reasonable endeavours to ensure that sufficient competent investment management staff experienced in asset management will have charge at all times of the conduct of, and will maintain close supervision of the management of CIF and its investment portfolio; and

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- (i) **(AFSL License)** that it is and will be, at all times during the term of this agreement, the holder of an Australian Financial Services Licence and all other licences required to be held under all applicable legislation governing the activities of the Manager.

8.3 **Inaccurate warranty**

If a warranty given by a party to this agreement under this clause 8 ceases to be accurate, that party must immediately advise the other party in writing.

9. **LIABILITIES AND INDEMNITIES**

9.1 **Disclaimer of implied warranties**

Except for the express warranties set out in this agreement and except to the extent that applicable law provides otherwise, the Manager disclaims all warranties. To the maximum extent permitted by applicable law, all conditions and warranties that would be implied (by statute, general law, custom or otherwise) are expressly excluded.

9.2 **Implied warranties and conditions**

If any condition or warranty is implied into this agreement under the *Trade Practices Act 1974* (Cth) or under any equivalent legislation, and cannot be excluded, the liability of the Manager for breach of the condition or warranty is limited to one or more of the following, at the option of the Manager:

- (a) the supplying of the services again; or
- (b) the payment of the cost of having the services supplied again.

9.3 **No liability for consequential loss**

Under no circumstances is the Manager liable for any special, indirect, incidental, consequential or economic Loss (including loss of profits, revenue, savings, opportunity or goodwill), even if the possibility of such a Loss being suffered has been brought to the attention of the Manager, other than where it or its Personnel have acted in breach of this agreement or have acted negligently or fraudulently.

9.4 **Release from and indemnity against Claims**

- (a) To the extent permitted by law the Manager, its members, employees and their Associates, are not liable for any Claim, Liability or Loss arising out of or in connection with provision of the Services except to the extent that such Claim, Liability or Loss is caused by or contributed to by a breach of this agreement or by the negligence, misconduct or bad faith of the relevant person in providing the Services.
- (b) The Principal will indemnify the Manager, its members, employees and their Associates, against all Loss arising out of or in connection with the provision of the services except to the extent that such Loss is caused by or contributed to by a

breach of this agreement or by the negligence, misconduct or bad faith of the indemnified person in providing the Services.

10. **TERM**

10.1 **Term**

The rights and obligations under this agreement continue for the period beginning on the Commencement Date and ending on the termination of this agreement in accordance with its terms (**Term**).

10.2 **Termination by the Manager**

- (a) The Manager may terminate this agreement at any time (including during the Initial Term) by giving one month's prior written notice to the Principal.
- (b) The Manager may terminate this agreement immediately at any time (including during the Initial Term) upon an Insolvency Event occurring in relation to the Principal.

10.3 **Initial Term**

- (a) The initial term of this agreement is 10 years from the Commencement Date (**Initial Term**).
- (b) At the end of the Initial Term, if the Manager so requires, the Principal must put a resolution to the Members of CIF approving the extension of the agreement for an additional fixed period of ten years or other period up to ten years agreed to by the parties.
- (c) If the resolution is passed by the Members of CIF, the parties agree that this agreement is extended for the period and on the terms set out in the resolution.
- (d) If this agreement has not been extended for an additional fixed period beyond the Initial Term, either pursuant to this clause or otherwise, the Principal may terminate this agreement immediately one month following the passing of a resolution of the Members of CIF to remove the Manager as manager of CIF and to terminate this agreement.

10.4 **Termination by the Principal**

In addition to the circumstances referred to in clause 10.3(d), the Principal may at any time terminate this agreement immediately by notice to the Manager:

- (a) if the Manager has committed a material breach of the agreement that has not been remedied for a period of 180 days, including, but not limited to, a material failure to devote adequate resources to providing the Services under this agreement, a material failure to provide the Services with a reasonable degree of care, diligence and skill and a material failure to comply with applicable laws, and such breach has been notified in writing by the Principal to the Manager within one month of the breach occurring. For the purposes of this paragraph (a), where a breach is

incapable of being remedied, such breach will be deemed to be remedied where the Manager is ready, willing and able to provide the Services under this agreement on an ongoing basis;

- (b) if an Insolvency Event occurs in relation to the Manager unless the Manager is withdrawn and replaced within 15 days with a similarly constituted entity; or
- (c) if Challenger and/or its controlled entities in aggregate cease to hold (directly or indirectly) at least 50% of the issued share capital of the Manager.

10.5 Claims, rights and obligations

Ending of the Term or termination of this agreement does not affect:

- (a) any Claim either party may have against the other in respect of anything done or required to be done before the end of the Term, or before termination; or
- (b) rights or obligations under the following clauses:

1	Interpretation
4	Manager's Status
5	Charges and Payment
6	Default Interest
6	GST
8	Liabilities and Indemnities
11	Confidentiality
13	Notices
14	Amendment and Assignment
15	General

11. TRUSTEE CAPACITY

This clause 11 applies notwithstanding any other provision of this agreement.

11.1 Capacity and liability

- (a) CLIL enters into this agreement only in its capacity as responsible entity of CIF and in no other capacity. Any liability arising under or in connection with this agreement can be enforced against CLIL only to the extent to which it can be satisfied out of the property of CIF out of which CLIL is actually indemnified for the liability;
- (b) The limitations on CLIL's liability contained in this clause 11 extend to all liabilities of CLIL in any way connected with any representation, warranty, conduct, omission, agreement or transaction under this agreement.
- (c) The Manager may not claim against the personal assets of CLIL or against CLIL in its personal capacity or seek the appointment of a liquidator, administrator, receiver or similar person to CLIL or prove in any liquidation, administration or arrangement of or affecting CLIL.

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- (d) The provisions of this clause 11 shall not apply to any obligation or liability of CLIL to the extent that it is not satisfied because under the trust deeds establishing CIF or by operation of law there is a reduction in the extent of CLIL's indemnification out of the assets of CIF as a result of CLIL's failure to properly perform or exercise any of its powers or duties in relation to CIF.

12. CONFIDENTIALITY

12.1 Confidential Information

Subject to clause 12.4, the Manager must not, and must take reasonable steps to ensure that the Personnel do not, without the Principal's permission or where necessary to perform the Services:

- (a) use any Confidential Information;
- (b) disclose any Confidential Information to anyone else; or
- (c) make copies of materials incorporating any Confidential Information.

12.2 Return of Confidential Information

The Manager must delete, destroy or return to the Principal all Confidential Information or materials incorporating Confidential Information within 10 Business Days of receiving a request from the Principal to do so.

12.3 Terms of this agreement

Subject to clause 12.4, neither party may, without the consent of the other party, disclose the terms of this agreement to any other person.

12.4 Exceptions

A party may disclose or use information, which it would otherwise be prevented from disclosing or using under clause 12.1 or 12.3, where required to do so by law or by the rules of a stock exchange but, as far as practicable, must notify the other party in advance of its intention to do so and take such steps as the other party reasonably requires to protect the confidentiality of the information.

13. NOTICES

- (a) A notice, consent or other communication under this agreement is only effective if it is in writing, signed and either left at the addressee's address or sent to the addressee by mail or fax. If it is sent by mail, it is taken to have been received 3 working days after it is posted. If it is sent by fax, it is taken to have been received when the addressee actually receives it in full and in legible form.

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- (b) A person's address and fax number are those set out below, or as the person notifies the sender:

Manager

Address: Level 41, Aurora Place, 88 Phillip Street, Sydney NSW 2000
Fax number: 02 9994 7777
Attention: Steven Bickerton, Head of Infrastructure

Principal

Address: Level 41, Aurora Place, 88 Phillip Street, Sydney NSW 2000
Fax number: 02 9994 7777
Attention: Company Secretary

14. AMENDMENT AND ASSIGNMENT

14.1 Amendment

This agreement can only be amended, supplemented, replaced or novated by another document signed by the parties.

14.2 Assignment

- (a) The Manager may dispose of, declare a trust over or otherwise create an interest in its rights under this agreement in favour of a related body corporate without the consent of the Principal.
- (b) Subject to clause 14.2(a) and 14.3, a party may only dispose of, declare a trust over or otherwise create an interest in its rights under this agreement with the prior written consent of the other party.

14.3 Change in responsible entity

If there is a change of responsible entity of CIF this agreement shall continue to have effect as if the new responsible entity (and not CLIL) were an original party to it.

15. GENERAL

15.1 Governing law

- (a) This agreement is governed by the law in force in New South Wales.
- (b) Each party submits to the non-exclusive jurisdiction of the courts exercising jurisdiction in New South Wales, and any court that may hear appeals from any of those courts, for any proceedings in connection with this agreement, and waives any right it might have to claim that those courts are an inconvenient forum.

15.2 Liability for expenses

Each party must pay its own expenses incurred in negotiating, executing, stamping and registering this agreement.

15.3 Giving effect to this agreement

Each party must do anything (including execute any agreement), and must ensure that its employees and agents do anything (including execute any agreement), that the other party may reasonably require to give full effect to this agreement.

15.4 Waiver of rights

A right may only be waived in writing, signed by the party giving the waiver, and:

- (a) no other conduct of a party (including a failure to exercise, or delay in exercising, the right) operates as a waiver of the right or otherwise prevents the exercise of the right;
- (b) a waiver of a right on one or more occasions does not operate as a waiver of that right if it arises again; and
- (c) the exercise of a right does not prevent any further exercise of that right or of any other right.

15.5 Operation of this agreement

- (a) This agreement takes effect subject to the Co-Investment Agreement dated on or about the date of this agreement between the Principal, the Manager and Challenger Life and to any other agreement between the Principal and a third party containing provisions relating to the provision of services by the Manager to the Principal.
- (b) Subject to clause 15.5(a), this agreement contains the entire agreement between the parties about its subject matter. Any previous understanding, agreement, representation or warranty relating to that subject matter is replaced by this agreement and has no further effect.
- (c) Any provision of this agreement which is unenforceable or partly unenforceable is, where possible, to be severed to the extent necessary to make this agreement enforceable, unless this would materially change the intended effect of this agreement.

15.6 Operation of indemnities

- (a) Each indemnity in this agreement survives the expiry or termination of this agreement.
- (b) A party may recover a payment under an indemnity in this agreement before it makes the payment in respect of which the indemnity is given.

15.7 Consents

Where this agreement contemplates that the party may agree or consent to something (however it is described), the party may:

- (a) agree or consent, or not agree or consent, in its absolute discretion; and

(b) agree or consent subject to conditions,
unless this agreement expressly contemplates otherwise.

15.8 Statements by the Manager

A statement by the Manager on any matter relating to this agreement (including any amount owing by the Principal) is conclusive unless clearly wrong on its face.

15.9 Counterparts

This agreement may be executed in counterparts.

15.10 Attorneys

Each person who executes this agreement on behalf of a party under a power of attorney declares that he or she is not aware of any fact or circumstance that might affect his or her authority to do so under that power of attorney.

SCHEDULE 1

MANAGEMENT SERVICES

(Clause 1.1 - "Management Services")

The Management Services comprise, in relation to the Principal:

1. Perform, or supervise the performance of, the day to day administration of the Principal including financial reporting, unitholder relations, registrar and transfer services and other necessary services.
2. Act as agent of the Principal in managing the investment portfolio of the Principal.
3. Act as agent of the Principal dispersing and collecting the Principal's funds, paying its debts and generally fulfilling the Principal's obligations;
4. Retain for and on behalf of the Principal the services of accountants, tax advisors, legal counsel, valuers, registrars, banks and other lenders and other service providers as and when the Manager deems it necessary and appropriate for the management and operation of the Principal;
5. Establish and operate bank accounts in the name of the Principal;
6. Maintain books of account for the Principal in accordance with generally accepted accounting principles and arrange for the audit of the Principal's financial statements if necessary; and
7. Perform any additional services reasonably requested by the Principal and agreed to by the Manager.

SCHEDULE 2
CHARGES AND PAYMENT

(Clause 5)

1. Management Fees

- (a) The Manager is entitled to Management Fees of an amount equal to the Base Fee and the Performance Fee (as defined in the Constitutions in effect at the Commencement Date) calculated in accordance with the Constitutions in effect at the Commencement Date and , subject to paragraph 2(b), payable on such dates as Base Fees and Performance Fees under the Constitutions in effect at the Commencement Date are payable to the responsible entity.
- (b) Unless otherwise agreed in writing by the parties, any amendment of the Constitutions after the Commencement Date shall not affect the Management Fees payable under this agreement.

2. Payment of Management Fees

- (a) Subject to paragraphs (f) and (g) the Principal shall, on the Manager's behalf, apply all Management Fees payable to the Manager for each fee period ending before 30 June 2008 towards a subscription for Class A Securities in CIF or, for Management Fees payable to the Manager for the fee period ending on 30 June 2008, towards a subscription for Ordinary Stapled Securities in CIF. The issue price shall be as set out in clause 8.10(c) of the Constitutions and the Principal shall issue to the Manager such amount of Class A Securities or Ordinary Stapled Securities (as the case may be) at that price as represent the cash value of the Management Fees.
- (b) Payment of the Management Fees for each fee period ending on or prior to the Second Instalment Payment Date shall be deferred until the day following the Second Instalment Payment Date, on which deferred date the Principal shall issue such number of Class A Securities to the Manager in respect of such Management Fees as it would have issued under paragraph 2(a) had the payment of the relevant Management Fees been made and the Class A Securities issued, credited as fully-paid, on the day 15 Business Days after the last day of the relevant fee period (**Original Payment Date**).
- (c) If any distributions are paid on Class A Securities in relation to a the period ending between the Original Payment Date and the Second Instalment Payment Date, the Principal shall pay to the Manager an additional fee in cash equal to the distribution(s) the Manager would have received had it been issued with Class A Securities on the Original Payment Date, the number of Class A Securities being calculated as if the Class A Securities were issued credited as partly paid (and as if the entire Management Fees for the relevant fee period had been applied in payment of the relevant application monies) with the same uncalled amount unpaid as the uncalled amount on the officially quoted Class A securities on issue on the Original Payment Date.

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- (d) From 1 July 2008, the Manager is to receive payment of its Management Fees in cash unless the Principal determines that part or all of its Management Fees for a particular period are to be applied towards a subscription for Ordinary Stapled Securities in which case the issue price shall be as set out in clause 8.10(c) of the Constitutions and, subject to paragraphs (f) and (g), the Principal shall issue to the Manager such amount of Ordinary Stapled Securities at that price as represent the cash value of the relevant Management Fees.
- (e) Following the Second Instalment Payment Date, where, under paragraphs 2(a) or (d), the Principal must, or has determined that, part or all of the Management Fees for a particular period are to be applied towards a subscription for Class A Securities or Ordinary Stapled Securities (as the case may be) (**Securities**) and the Manager has agreed to the payment of those fees and the issue of the relevant Securities being deferred to a certain date, on that deferred date the Principal will issue the same number of Securities to the Manager as it would have issued had the fee payment and issue of Securities not been deferred and will pay (if applicable) an additional fee as compensation for any distributions that the Manager would have received on those Securities had the issue of them not been deferred.

For the avoidance of doubt, if between the original payment date and the deferred payment date, all of the Class A Securities on issue have become Ordinary Stapled Securities, then the Principal shall issue to the Manager the same number of Ordinary Stapled Securities as it would have issued of Class A Securities on the original payment date.

- (f) The obligation of the Principal to issue and the Manager to accept the issue of Class A Securities or Ordinary Stapled Securities (as the case may be) to the Manager in lieu of Management Fees pursuant to paragraphs (a), (b) and (d) is conditional upon the Manager and its Associates being satisfied that they are able to rely on an exemption in section 611 of the Corporations Act in relation to the acquisition of those Class A Securities or Ordinary Stapled Securities (as the case may be).
- (g) In the event that the Manager has confirmed to the Principal that the condition in paragraph (f) is not satisfied, the Principal must pay the Management Fees to the Manager in cash.

3. **Recovery of direct and indirect costs**

3.1 In addition to the fees under paragraph 1 above, the Principal must pay the Manager an amount equal to the following direct and indirect costs properly and reasonably incurred by the Manager in providing the Services:

- (a) all Out of Pocket Expenses apart from legal expenses and expenses of other professional advisers incurred by the Manager in the course of or arising out performance of this agreement; and
- (b) all legal expenses and expenses of other professional advisers incurred by the Manager with the prior approval of the Principal in the course of or arising out performance of this agreement, on a full indemnity basis.

4. **Gross up for Tax (except GST)**

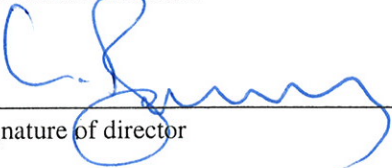
Amounts payable by the Manager will be grossed-up as appropriate, or additional amounts paid by the Principal, to ensure that the Manager is fully indemnified in respect of any Tax (other than an amount of GST for which the Manager is indemnified under clause 7 of this agreement) payable in relation to the Services, materials supplied or amounts payable by the Principal.

5. **Invoicing**

The Manager may invoice the costs referred to in paragraph 3 of this schedule at or after the end of the month in which they are incurred. Where costs are not attributable to a particular month, the Manager may apportion them in a reasonable manner and invoice the appropriate portion at such times as it reasonably determines.

EXECUTED as an agreement.

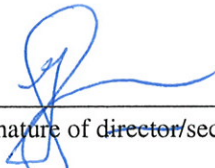
EXECUTED by Challenger Management Services Limited:



Signature of director

LUCAS BARRY

Name

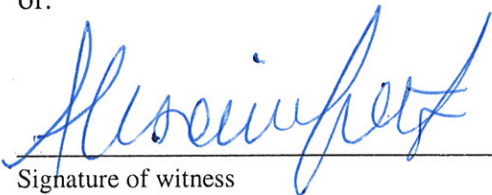


Signature of director/secretary

Gerard A. Browne

Name

SIGNED for Challenger Listed Investments Limited in its capacity as responsible entity of CIF Investment Trust 1 under power of attorney in the presence of:




Signature of witness

ALISON TELFER

Name

14 JULY 2005

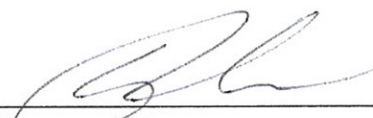
Date of power of attorney



Signature of attorney

STEVEN BICKERTON

Name

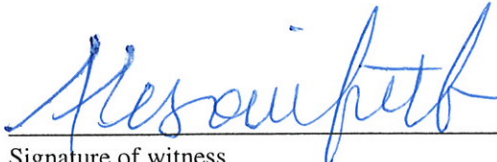


Signature of attorney

GARY KALMIN

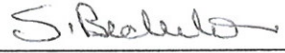
Name

SIGNED for Challenger Listed Investments Limited in its capacity as responsible entity of CIF Investment Trust 2 under power of attorney in the presence of:

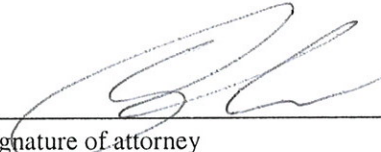

Signature of witness

ALISON TELFER
Name

14 JULY 2005
Date of power of attorney


Signature of attorney

STEVEN BICKERTON
Name


Signature of attorney

GARY KALMIN
Name