

# TILLERMAN SECURITIES LTD.

## INVESTMENT MANAGEMENT AGREEMENT

This Agreement is entered into by and between Tillerman Securities Ltd., a limited liability company incorporated under the laws of the Commonwealth of The Bahamas ("Investment Manager"), and \_\_\_\_\_ ("Client").

### WHEREAS

- A. The Investment Manager is a licensed broker/dealer under the laws of The Bahamas and offers investment managed services to its clients;
- B. The Client wishes to avail itself of the experience and the advice of the Investment Manager by having the Investment Manager manage, on a discretionary basis, the Client's assets pursuant to the terms and conditions of the guidelines and restrictions that may be adopted from time to time by the board of directors of the Company; and
- C. The Investment Manager is willing to perform such services on the terms and conditions hereinafter set forth.

**NOW, THEREFORE**, in consideration for the mutual promises, covenants and agreements set forth herein, it is hereby agreed as follows

### 1. Appointment and Acceptance of Appointment

- 1.1 Client hereby appoints the Investment Manager as investment manager to manage, supervise and direct the investment, disposition and re-investment, on a discretionary basis, of such of the moneys, investments and/or other assets of Client as from time to time may be directed by Client, pursuant to the provisions of this Agreement, which together with all investments and re-investments made and the proceeds and all earnings and profits of and on such investments and reinvestments, less all withdrawals hereinafter referred to as the "Investment Portfolio", which will be recorded in a discretionary investment management account in the name of Client, referred to herein as the "Account". Client grants to Investment Manager full discretion as to all investment decisions regarding the Account, including, but not limited to; authority to buy, invest in; hold for investment; own; assign; transfer; sell (long or short); exchange; trade in; lend; pledge; deliver; and otherwise deal in (on margin or otherwise) stocks, bonds, options, shares of investment companies, investment funds, repurchase agreements and all other securities and intangible investments and vehicles of every kind and nature ("Securities") for the Account, and to exercise in Investment Manager's discretion all rights, powers, privileges and other incidents of ownership with respect to Securities in the Account. In connection therewith, Investment Manager is authorized to select and engage for the Account one or more banks, trust companies and brokerage firms as custodians or brokers for funds and Securities held in the Account and to instruct such custodians and brokers with respect to the purchase, sale, exchange, delivery or other disposition of such Securities and disbursements relating thereto.,
- 1.2 The services of the Investment Manager to the Client hereunder are not to be deemed exclusive and the Investment Manager shall be free to render similar services to others so long as its services under this Agreement are not materially impaired thereby. Client acknowledges and understands that Investment Manager engages in an investment advisory business apart from managing the Account. This will create conflicts of interest with the Account over Investment Manager's time devoted to managing the Account and the allocation of investment opportunities among accounts (including the Account) managed by Investment Manager. Investment Manager will attempt to resolve all such conflicts in a manner that is generally fair to all of its clients. Client confirms that Investment Manager may give advice and take action with respect to any of its other clients that may differ from advice given or the timing or nature of action taken with respect to Client so long as it is the Investment Manager's policy, to the extent practicable, to allocate investment opportunities to Client over a period of time on a fair and equitable basis relative to other clients. Nothing in this Agreement shall be deemed to obligate Investment Manager to acquire for the Account any Security that Investment Manager or its members or employees may acquire for its of their own account or for the account of any other client if in the absolute discretion of the Investment Manager, it is not practical or desirable to acquire a position in such Security for the Account

## 2. Power of Attorney and Proxies

- 2.1 To enable Investment Manager to fully exercise its discretion and authority as provided in Clause 1, Client hereby constitutes and appoints Investment Manager as Client's agent and attorney-in-fact with full power and authority for Client and on Client's behalf to buy, sell and otherwise deal in Securities and contracts for the Account. Client further grants to Investment Manager as Client's agent and attorney-in-fact full power and authority to do and perform every act necessary and proper to be done in the exercise of the foregoing powers as fully as Client might or could do if personally present. This power of attorney is coupled with an interest and shall terminate only on termination of this Agreement or on receipt by Investment Manager of written notice of the dissolution, death or incapacity of Client.
- 2.2 All rights of voting and other corporate actions, conferred in respect of or relating to any Security shall be exercised in such manner as the Investment Manager may determine to be in the best interests of the Account and subject as aforesaid the Investment Manager may in its absolute discretion refrain from the exercise of such voting rights or other corporate actions. Client shall from time to time upon written request from the Investment Manager cause to be executed and delivered by any custodian to the Investment Manager (or as it may direct) such powers of attorney, or proxies authorizing such attorney or proxies, to exercise any rights conferred by, or otherwise act in respect of, all or any part of the Assets.

## 3. Duties of Investment Manager

- 3.1 Investment Manager shall have full and complete discretion to manage, supervise and direct the investment, disposition and reinvestment of the Account and any additions thereto, subject to the investment strategies, guidelines and restrictions set forth in the "Tillerman Securities Ltd. Investment Suitability Questionnaire" attached hereto as "Exhibit A" and incorporated herein by reference, which may be modified from time to time by Client by notice in writing to Investment Manager (the "**Investment Guidelines**"). Promptly following receipt of notice of any such change, Investment Manager shall perform its duties under this Agreement in accordance with such modified Investment Guidelines. Investment Manager shall continually monitor the Account to ensure compliance with the Investment Guidelines. Investment Manager may, from time to time, suggest to Client amendments to the Investment Guidelines.
- 3.2 Investment Manager is hereby authorized to delegate any of its functions, powers, discretions, privileges and duties under the terms of this Agreement to any of its affiliates (each a "**Delegate**"). Investment Manager may also employ persons, including any of its affiliates, as agents to perform at Investment Manager's expense any of the services required to be performed or provided under the terms of this Agreement.
- 3.3 In effecting transactions for the Account, Investment Manager may deal on such markets or exchanges and through or with such brokers, dealers or counterparties as it deems appropriate. All transactions shall be effected in accordance with the rules and regulations of the relevant market or exchange, and Investment Manager shall take all such steps as may be required thereby and/or by appropriate market practice for such transactions.
- 3.4 any counterparty fails to deliver any necessary documents or complete any transaction, Investment Manager shall take all reasonable steps to rectify such failure or obtain compensation in lieu thereof, including the commencement of any legal proceeding against any counter party; provided that Investment Manager shall not be required to take any action in respect of the legal proceedings contemplated in this Clause 3.4, unless fully indemnified to its reasonable satisfaction for all costs and liabilities that may be incurred or suffered by Investment Manager and not attributable to Investment Manager's willful default or gross negligence.
- 3.5 Investment Manager reserves the right to seek and receive advice and input on investment strategies and to solicit assistance in marketing and client acquisition efforts in relation to the Account(s) from third party service providers at the Investment Manager's expense. In such cases, the Investment Manager agrees to maintain the client's confidentiality with regards to any third party.

## 4. Investment Management Fee, Commissions, Expenses

- 4.1 An **Initial Set-up Fee of 2.00%** will be charged for all Investment Portfolios. The initial set-up fee will be charged to the Investment Portfolio quarterly in advance over a 1 year period at 0.50% per quarter
- 4.2 An **Annual Management Fee equal to \_\_\_\_\_%** will be charged monthly (1/12 of annual rate) in advance based upon the portfolio's net asset value as of the last day of the previous calendar month. The portfolio will pay the management fee for each month not later than 10 days following the end of the calendar month in which such occurs.

#### 4.3 Asset Based Fee

- (a) Client shall pay to Investment Manager an amount per year (an "Asset Based Fee") as defined in Exhibit B attached hereto and based on the net market value of the Account. The Asset Based Fee shall be payable quarterly in advance at the beginning of each calendar quarter based on the net market value of the Account at the close of trading on the last day of the given quarter.
- (b) If Client contributes capital to the Account including its initial capital, on a date other than the first day of a calendar quarter, the Account will be charged a prorated portion of the Asset Based Fee for that calendar quarter with respect to such contribution based on the number of days remaining in that calendar quarter and based on the net market value of the contributed capital on the opening of trading on the date of such contribution.
- (c) If Client withdraws all assets from the Account, whether on termination of this Agreement or otherwise, on any date other than the last day of a calendar quarter, the Asset Based Fee previously paid with respect to that calendar quarter shall be prorated based on the number of days elapsed in that quarter prior to the withdrawal, and the unearned portion shall be promptly refunded by Investment Manager to Client,

4.4 Investment Manager may, in its discretion, either: (a) debit the Account for and cause the Account to pay to Investment Manager, any amount owing to Investment Manager under this Agreement or (b) bill Client for such amount, in which case Client shall pay such amount to Investment Manager within ten days of Client's receipt of such bill. If Investment Manager causes the Account to pay Investment Manager directly, Investment Manager shall send to Client and the Account's custodian at the same time, a bill showing the amount of the Asset Based Fee, the value of Client's assets on which the Asset Based Fee is based and the specific manner in which the Asset Based Fee was calculated.

4.5 Except as expressly provided herein, all costs and expenses incurred by Investment Manager in the performance of any and all services and functions rendered hereunder shall be borne by Client and paid out of the Account, including, but not limited to interest on margin borrowing, dividends payable with respect to Securities sold short, custodial fees, brokerage commissions, bank service fees and interest on Account-related loans and debit balances.

#### 5. Obligations of Client

Client shall promptly notify Investment Manager of (a) the investment objectives of the Account, (b) any changes or modifications to those objectives, and (c) any specific investment restrictions relating to the Account. Client shall promptly notify Investment Manager in writing if Client considers any investments recommended or made for the Account to violate such objectives or restrictions. Client and Investment Manager shall consult on a periodic basis regarding Client's investment objectives. Client may at any time direct Investment Manager to sell such Securities or take such other lawful actions as Client may specify to effect compliance of the Account with Client's investment objectives. In addition, Client may notify Investment Manager at any time not to invest any funds in the Account in specific Securities or specific categories of securities, and Investment Manager shall promptly follow those instructions,

Client agrees promptly to furnish, or to cause Client's custodian or agent to furnish, to Investment Manager all data and information Investment Manager may reasonably request to render the investment management services described above. Client shall be solely responsible for the completeness and accuracy of the data and information furnished to Investment Manager hereunder

#### 6. Representations and Warrants

6.1 Client represents and warrants to Investment Manager and agrees with Investment Manager as follows:

- (a) If Client is a company, it is duly organized and validly existing and in good standing in its jurisdiction of incorporation;
- (b) Client has the requisite legal capacity and authority to execute deliver and perform its obligations under this Agreement. This Agreement has been duly authorized, executed and delivered by Client and is the legal, valid and binding agreement of Client enforceable against Client in accordance with its term;

- (c) Client's execution of this Agreement and the performance of its obligations hereunder do not conflict with or violate any provisions of the governing documents (if any) of Client or any obligations by which Client is bound, whether arising by contract, operation of law or otherwise. Client will deliver to Investment Manager evidence of Client's authority and compliance with its governing documents on Investment Manager's request;
- (d) Client is the owner of all cash and Securities in the Account and, except as disclosed by Client to Investment Manager; there are no restrictions on the pledge, hypothecation, transfer, sale or public distribution of such cash or Securities;
- (e) Client is not the subject of any regulatory or governmental action, or any claims or investigations relating to any violation of any applicable law; and
- (f) Client is experienced in the engagement of investment advisers and is aware of the risks associated with such engagements, including the risk that the Account could suffer substantial diminution in value.

Client shall notify the Investment Manager forthwith of any event or matter which would render any of the representations and warranties given in this Clause 6 untrue, inaccurate or misleading as of the date they were given or as of any other date during the term of this Agreement.

6.2 Investment Manager represents and warrants to Investment Manager and agrees with Investment Manager as follows:

- (a) Investment Manager is duly organized and validly existing and in good standing under the laws of The Bahamas and is licensed to carry on its business as a broker-dealer;
- (b) Investment Manager has all requisite power and authority to execute and deliver and to carry out the terms of this Agreement;
- (c) this Agreement has been duly authorized by all requisite action on the part of the investment Manager, has been duly executed and delivered by the investment Manager and constitutes the legal, valid and binding obligation of the Investment Manager, enforceable against it in accordance with its terms; and
- (d) the terms of this Agreement do not violate any obligation by which the Investment Manager is bound, whether arising by contract, operation of law or otherwise.

6.3 Client acknowledges that Investment Manager is not a market maker for securities that Investment Manager causes the Account to purchase. Further, Client acknowledges and agrees that no assurance, representation or guarantee has been given to Client by the Investment Manager or any other person that the Investment Manager's management of the Portfolio will generate profits or that past results are necessarily indicative of future performance, that all risk relating to transactions effected by the investment Manager for the Account under this agreement shall be borne by the Client and all gains or losses accruing on the account shall belong to or be borne by the Client.

## 7. Operation of Accounts

7.1 Valuation. The assets in the Account will be valued in such a manner as is reasonably determined in good faith by the Investment Manager to reflect the fair market value thereof,

7.2 Account Statements. Investment Manager shall furnish to Client an "Account Statement" at the end of each calendar quarter (or sooner) showing the aggregate market value of all Securities and funds in the Account, Client's additions of funds and Securities to and withdrawals of funds and Securities from the Account during such quarter and the calculation of the Asset Based Fee, if any, paid or accrued during such quarter. Account Statements may be prepared by Investment Manager without the assistance of outside accountants.

## 8. Indemnification from Liability

8.1 To the extent permitted under applicable law, Client agrees that Investment Manager will not be liable to Client for any losses incurred by Client that arise out of or are in any way connected with any recommendation or other act or failure to act of Investment Manager under this Agreement including, but not

limited to any error in judgment with respect to the Account; provided however, that nothing herein shall be deemed to protect the Investment Manager against any loss or liability the Account may suffer due to the Investment Manager's fraud, willful misconduct, bad faith or negligence or failure to comply with the provisions of this Agreement or applicable law. Investment Manager shall not be liable for acts or omissions of agents, or other third parties (which for the avoidance of doubt shall include brokers, dealers, custodians and other financial intermediaries) selected by Investment Manager to perform or assist with the Investment Manager in performing services in connection with this Agreement. Client shall indemnify, defend and hold harmless Investment Manager and its officers, directors, employees and agents from and against any and all claims, losses, damages, liabilities and expenses, as they are incurred, by reason of any act or omission of Client or any custodian, broker, agent or other third party selected by Investment Manager or selected by Client, except such as arise from Investment Manager's fraud, willful misconduct, bad faith or negligence. Notwithstanding the provisions of this Clause 8, nothing herein shall in any way constitute a waiver or limitation of any rights that Client may have under the laws of The Bahamas where such waiver or limitation would be unlawful.

8.2 Client agrees to indemnify the INVESTMENT MANAGER from any risk inherent in any instruction which is not in the form of an original signature.

8.3 Investment Manager shall not be liable for any loss, claim, damage, liability or expense caused directly or indirectly by government, regulator, or self-regulatory restrictions or regulations, exchange or market rulings, suspension of trading, war strikes, equipment malfunction or other conditions or events (whether similar or dissimilar to the above) beyond the Investment Manager's control.

## 9. Confidentiality

9.1 Investment Manager agrees to maintain in strict confidence all personal and financial information regarding Client that is furnished to Investment Manager by Client (except that Client hereby consents to the disclosure of Client's identity as a client of Investment Manager), except only insofar as such disclosure is:-

- (a) made pursuant to an order of a court of competent jurisdiction or in compliance with the requirements of any governmental agency or authority, or any non-governmental authority exercising supervisory authority over banking or financial institutions or the securities industry.
- (b) otherwise required by applicable law or regulation; or
- (c) necessary for the proper performance of its services under this Agreement; or
- (d) necessary for effecting settlement and dealing with custodians for the Account; or
- (e) or comes into the public domain in any way other than by breach of this Clause; or
- (f) obtained or available from a source other than from the other Party without breaching any obligations of confidentiality; or
- (g) disclosure of Client's information in connection with the transfer of this Agreement pursuant to Clause 12 of this Agreement; or
- (h) to the use and disclosure by Investment Manager of Investment Manager's investment experience and performance with respect to the Account, without disclosing the identity of Client in connection with such experience or performance

9.2 Client agrees to maintain in strict confidence all investment advice and information furnished to Client by Investment Manager. ,

## 10. Termination; Withdrawals

This Agreement may be terminated by either party with or without cause by written notice to the other party, effective thirty days after receipt of such notice by the addressee or such later date as may be specified in such notice. Client may withdraw part of the funds or Securities in the Account by notifying Investment Manager in writing at least ten days prior to the withdrawal date, stating the amount of funds or the securities to be withdrawn and the date of the withdrawal.

11. Independent Contractor

Investment Manager is an independent contractor and not an employee, agent, representative or partner of Client, and except as provided herein nothing in this Agreement may be interpreted or construed to create any employment, partnership, joint venture or other relationship between Investment Manager and Client.

12. Assignment

Investment Manager may not assign this Agreement without the prior consent of Client. In the event Investment Manager desires to assign this Agreement, Investment Manager shall request written consent of Client within a specified reasonable time (which shall not be less than fourteen days). If Client does not respond to such request within the time specified, Investment Manager shall inform Client that the proposed assignee will continue the advisory services of Investment Manager for a specified reasonable time (which shall not be less than fourteen days), and if Client does not respond to such second notice from Investment Manager, Client's continued acceptance of investment management services from the proposed assignee shall constitute Client's consent to the assignment. This Agreement shall bind and inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

13. Effective Date of Agreement

Notwithstanding the date that this Agreement is signed or delivered by either party, the "Effective Date" shall be deemed to be the date Client first furnished funds or Securities to be managed by Manager.

14. Governing Law

THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE COMMONWEALTH OF THE BAHAMAS, TO WHOSE EXCLUSIVE JURISDICTION AND THE COURTS OF WHICH THE PARTIES HEREBY IRREVOCABLY SUBMIT.

15. Notices

Instructions with respect to securities transactions may be given verbally. All other communications under this Agreement must be in writing and will be deemed duly given and received when delivered personally, via facsimile or post, when sent by facsimile transmission via telephony or data network, three days after being sent by first class mail, or one business day\* after being deposited for next-day delivery with federal express or another nationally recognized overnight delivery service, all charges or postage prepaid, properly addressed to the party to receive such notice at that party's address indicated below that party's signature on this Agreement or at any other address that either party may designate by notice to the other.

16. Severability

If any provisions or Clauses of this Agreement shall be or become void or be held invalid, all other provisions shall remain in full force and effect and the void or invalid provisions shall be forthwith replaced by other provisions to be agreed upon by the Parties valid in form and substance and which shall accomplish as nearly as possible the purpose and intent of the void or invalid provisions in due course.

17. Entire Agreement

This Agreement (including the Exhibits attached hereto) is the entire agreement of the parties and supersedes all prior or contemporaneous written or verbal negotiations, correspondence, agreements and understandings (including any and all preexisting investment management agreements, which are hereby cancelled), regarding the subject matter hereof

18. Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

19. No Third-Party Beneficiaries

Except as otherwise provided herein, neither party intends for this Agreement to benefit any third-party..

20. Tax Returns and Filings

Client agrees to be responsible for all tax returns, filings and reports on any transactions undertaken pursuant to this Agreement, whether to a governmental authority or otherwise, and for the payment of all unpaid calls, taxes, levies, duties or any other liability or payment arising out of or in connection with the securities held for the account, and in the event that the INVESTMENT MANAGER is under any obligation (whether of governmental nature or otherwise) to pay the same on behalf of CLIENT, the INVESTMENT MANAGER may do so out of any monies or assets held by the INVESTMENT MANAGER pursuant to the terms of this agreement.

**IN WITNESS WHEREOF**, this Agreement has been duly signed by or on behalf of the parties hereto on the dates set forth below their respective signatures.

"INVESTMENT MANAGER"

"CLIENT"

Tillerman Securities Limited

\_\_\_\_\_  
*Name*

\_\_\_\_\_  
*Name*

\_\_\_\_\_  
*Signature*

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*Signature*

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