

CONFLICT OF INTEREST POLICY - EMPLOYEES

To observe the highest standard of integrity expected by its shareholders and investors, the proper conduct of business requires that BlueLife's executives and employees avoid situations in which their duties, and/or other interests conflict and / or enter into situations where there might be a potential conflict of interest that could cloud their judgement.

Actions that create the appearance of a conflict of interest or duty, or actually constitute a conflict of interest, must be avoided to protect the reputation of BlueLife and its Employees.

This section deals with:

- identifying conflicts; and
- managing and avoiding conflicts.

The integrity of the service that BlueLife provides to its shareholders would be at risk of being eroded if it did not pay great attention to dealing fairly and appropriately with conflicts that may occur in managing investments on behalf of BlueLife and its shareholders. In this regard conflicts may be considered to include the investment by employees or associated parties in projects or the sale of properties to employees or associated parties.

The interests of BlueLife and its shareholders must generally be considered ahead of the interests, or potential interests of BlueLife and / or its Employees. All personal and business interests which could potentially conflict with an employee's responsibilities must be declared by sending the Conflict of Interest Disclosure Form (Annexure 6) to the Compliance Officer as set in Annexure .11. The form content shall be registered in the Conflicts of Interest Register and be available to public scrutiny.

What is a conflict?

Conflicts may arise from (i) conflicts of duty e.g. the duty of an employee to different companies and the interactions of the employee with investee companies, management companies, contractors, service providers, business partners in general and related parties of the employee and (ii) conflicts of interest e.g. where BlueLife and/or its Employees are perceived to have a beneficial interest in a particular outcome.

In addition, conflicts may occur when an Employee and / or associated party is involved in an activity, acquires property in BlueLife or its subsidiaries project or has a personal interest or duty that might interfere with the Employee's objectivity in performing BlueLife's duties and responsibilities.

This policy details how BlueLife should identify and manage all conflicts so that it satisfies its legal and regulatory obligations and the expectations of its shareholders.

Identifying conflicts

It is essential that BlueLife has sufficient information to identify **all** conflicts and to deal with them in such a way that BlueLife is treated fairly and that no legal, regulatory or commercial consequences arise.

With respect to all potential conflict of interest scenarios, including Project and Property Related conflicts, BlueLife's investment process seeks to identify any conflicts which exist. All

documentation submitted to the Project Monitoring Committee (PMC) should confirm whether any conflicts have been identified, and, if so, what action is proposed to manage the conflict. The relevant PMC minutes should record any conflicts identified and the action decided upon by the PMC to manage the potential for a conflict of interest arising.

For the purposes of identifying potential or actual conflicts, BlueLife must take into account whether BlueLife or an Employee, or a person directly or indirectly linked by control to BlueLife and its subsidiaries:

- is likely to make a financial gain and /or avoid a financial loss at the expense of a client;
- has an interest in the outcome of a service provided to a client or a transaction carried out on behalf of a client, which is distinct from that client's interest in that outcome;
- has an incentive to favour the interests of one client or group of companies over the interests of another client;
- carries on the same business as a client,
- receives or will receive from a person other than a client an inducement in relation to a service provided to such client, in the form of remuneration, goods or services, that is not the standard commission or fee for that service and has not been disclosed to the PMC.
- Is purchasing a property or acquiring an interest in a property at a fair market value on an open book basis either personally or for a related party.

All Employees are required to complete and maintain a declaration, which identifies any potential conflicts of interests which they have from time to time. Nevertheless, Employees should also be conscious of conflicts which may arise as they carry out their duties and raise any applicable conflicts by sending the Conflict of Interest Disclosure Form to the Compliance Officer (**Annexure 14**). Conflicts may be more than an economic interest in a transaction that BlueLife is considering. They may be personal, for example, if the deal involves a personal friend, relation or a former employer.

Potential conflicts of interest

Potential conflicts of interest arise in the following situations:

- Where an employee has the ability to influence or place contracts with suppliers;
- Engages an organisation for personal work;
- Socialises frequently with employees of an organisation with which the employee has dealings in a professional capacity.
- Where a partner, spouse or close relative is employed by or otherwise connected to an organisation with which BlueLife has a commercial relationship or by BlueLife itself.
- Where the employee has a financial interest in an organisation with which BlueLife has a commercial relationship (this does not include shareholdings in publicly listed companies).

Conflict Management Policy

Where BlueLife has a material interest in a transaction or a relationship that gives rise to a conflict of interest or duty in relation to that transaction, it is BlueLife policy that it will not knowingly undertake that transaction without taking reasonable steps to ensure that the company and its shareholders are treated fairly.

There are a number of actions BlueLife can take in managing such conflicts, including:

- **Eliminate of the conflict** - which is seldom achievable;
- **Following defined policies** – these are designed to enable fair allocation and treatment;
- **Reporting the conflict to the CEO;**

- **Reporting the conflict to the Chairman of the Audit and Risk Committee of the Board of Directors of BlueLife;**
- **Disclosing** – to shareholders via the relevant panel(s) or periodic reporting, which ensures shareholders are aware of potential conflicts and reduces the risk of shareholders challenging an investment decision on the basis of conflict; and
- **Obtaining consent** – to provide for Board or shareholder consent in certain circumstances.

Any emergent conflict must be resolved at PMC level and that this be the primary form for employees to use to ensure that no potential and / or conflict of interest occurs.

Where a conflict is identified at PMC the appropriate course of action to manage the conflict should be determined, with any individual who is personally conflicted abstaining from the decision. Where a conflict cannot, or should not, be resolved at PMC level it should be referred to the next BlueLife Board Meeting for review and resolution.

In the case of a conflict not arising at PMC, the appropriate course of action to manage the conflict should be determined by the Compliance Officer in consultation with at least one other committee member who is not personally conflicted.

If individuals are personally conflicted so that it is not possible to determine the appropriate course of action to manage the conflict at PMC level, the matter should be referred through to the BlueLife Board.

Conflict Avoidance

BlueLife seeks to organise its business so as to avoid conflicts. Where conflicts are unavoidable, BlueLife ensures that appropriate policies, procedures and controls, generally outlined in the Compliance Register, are developed ahead of the circumstances giving rise to the conflict. One key to conflict avoidance is maintaining confidential information properly and only disclosing on a need-to-know basis. If BlueLife believes that a conflict is unavoidable, it will make the necessary disclosures, typically to the shareholders, or through periodic shareholder report.

As a guide to identifying potential conflicts of interests the following Code has been prepared. However this should be considered purely as a guide and not be considered to be exhaustive list in regard to potential conflicts of interest.

The Code

- 1 Employees must have a good understanding of and be sympathetic with the aims and objects of BlueLife and act in accordance with the good corporate governance at all times.
- 2 Employees must act to make decisions in accordance with the objectives and the best interests of BlueLife.
- 3 Employees should take reasonable steps to make themselves aware of issues relating to the sector in which BlueLife operates and its objectives.
- 4 Where professional assistance is required for the Employees to be able to make the most appropriate decision affecting BlueLife, that assistance should be sought and considered carefully.

- 5 Employees must ensure they make appropriate and timely declarations of interest and abstain from taking part in decision making in any situation where their personal or business interests (or those of related person(s)) may clash with their duties as an employee.
- 6 Employees must not receive any financial or non-financial benefit in relation to their duties that is not explicitly authorised by BlueLife.
Employees should not exert any influence to garner any preferential treatment for themselves or their family or any related business or interest.
- 7 Directors are accountable to stakeholders for their actions, and as such decision making and governance issues should be as transparent as possible.
- 8 Employees should use all reasonable endeavors to ensure that any Information, identified as being of a confidential nature, must remain so outside the confines of BlueLife, subject to any legal requirements of disclosure.
- 9 Should Employees, either individually or collectively, feel that they require further guidance or training in their roles, they have a duty to inform BlueLife and actively develop aspects for new training on an individual or group basis.

Fair allocation

In some cases BlueLife will have the interests of more than one client to consider. In those cases BlueLife will have to ensure it fairly considers the interests of all parties. Where the conflict arises in relation to a proposed investment, how it is managed will be based on fair allocation.

Record of Decisions

Another important aspect of dealing with conflicts is that the factors involved, the decision taken and the reasons for the decision must be adequately documented and the documentation retained by way of an audit trail.

As noted above, where this occurs in the investment process, the record should be the relevant PMC or Board minutes and any back up documents motivating the decision.

This will demonstrate that a conflict was identified, state what action was taken in accordance with BlueLife's procedures (e.g. a conflicted individual was excused from voting on the matter at the Steering Committee) and record the outcome.

Other Business Interests and Employment

Employees are expected to be fully dedicated to their job hence employees are not allowed, to be directly or indirectly engaged or employed in any business similar to or competing with any business carried out by BlueLife, or in any business which impacts adversely on the employee's performance.

Furthermore, employees are strictly prohibited from engaging in and entertaining any form of personal business venture that is related to the business of BlueLife in any manner or form.

10 Questions to help identify a conflict

1. Are you a director or significant shareholder of a company which is:
 - A significant shareholder in the BlueLife?
 - In partnership with the BlueLife?
 - In a joint venture with the BlueLife?
2. Are you a significant shareholder of BlueLife in your own right?
3. Does any external body you are associated with have any of the following relationships with BlueLife?
 - Supplier
 - Customer
 - Competitor
 - Banking
 - Distribution
 - Ongoing, but material relationships (e.g. bidding of contract against or with BlueLife or acting as agent for BlueLife or providing financing to BlueLife or any of its subsidiaries)
4. Are you associated with any adviser to BlueLife?
5. Are you a member of a committee or of a commission or do you have a material position with the regulator, a trade or professional body, etc...?
6. Are you a trustee of the BlueLife's pension trust or a director of the corporate trustee of the pension trust?
7. Do you hold a material position with any pension fund that could itself maintain a material shareholding in BlueLife?
8. Are you associated with an investment organisation of any nature?
9. Are you in a position that you could make a profit as a result of your directorship of BlueLife?
10. Do you know any other circumstances that could give rise to a potential or actual conflict of interest or duties?