

CORPORATE GOVERNANCE AND COMPLIANCE POLICY

Preamble

This Annexure details the compliance procedures to be followed by BlueLife's directors and employees. It is deliberately designed around our particular activities to be comprehensive yet concise, in order to encourage use and reference to the Annexure.

All procedures, requirements and restrictions set out in this Annexure, whether self-imposed or required under relevant rules and regulations of either third parties and /or local regulators, should be followed both in spirit and in letter.

Many of the requirements in this Annexure constitute good practice or are based on a desire to manage certain risks faced by BlueLife in its day to day business. However, many other requirements are based on international regulatory rules. If BlueLife fails to comply with the procedures set out in this Annexure, it could be subject to disciplinary action, which could impact to its ability to continue business. It is therefore essential that every BlueLife director and employee understands and complies with the requirements of this Annexure.

1. General regulatory issues

Compliance at BlueLife is not about constraining the way we work, it is a belief that by upholding applicable laws, regulations and ethical standards, BlueLife will improve its business and meet both its corporate and its shareholder's expectations.

These procedures are intended to ensure that Employees never put their integrity or that of BlueLife at risk, nor act in any way that might give the appearance to others, that Employees of BlueLife may have acted in an improper manner.

International firms are required to have procedures in place to enable their employees to meet the regulatory standards imposed by their local regulator. However, BlueLife has created these policies and procedures not only to comply with its regulatory obligations but to meet its objective of creating and operating with the highest levels of business integrity and ethical best practice.

All employees and directors of BlueLife must comply with the procedures set out in this Annexure.

2. Regulatory Principles

BlueLife will follow the Code of Corporate Governance and any guidelines with respect to best practices.

Among other principles the BlueLife shall comply with the 11 principles that are recognised worldwide. The principles are as follows:

1. **Integrity** - A firm must conduct its business with integrity.
2. **Skill, Care and Diligence** - A firm must conduct its business with due skill, care and diligence.

3. **Management and Control** - A firm must take reasonable care to organise and control its affairs responsibly and effectively, with adequate risk management systems.
4. **Financial Prudence** - A firm must maintain adequate financial resources.
5. **Market Conduct** - A firm must observe proper standards of market conduct.
6. **Customers' Interests** - A firm must pay due regard to the interests of its customers and treat them fairly.
7. **Communications with Customers** - A firm must pay due regard to the information needs of its company and its shareholders, and communicate information to them in a way which is clear, fair and not misleading.
8. **Conflicts of Interest** - A firm must manage conflicts of interest fairly, both between itself and its customers, and between one customer and its other company(s) and its shareholders.
9. **Relationships of Trust** - A firm must take reasonable care to ensure the suitability of its advice and discretionary decisions to any customer or investor who is entitled to rely upon its judgement.
10. **The Assets** - A firm must arrange adequate protection for BlueLife and its shareholders' assets when it is responsible for them.
11. **Relations with Regulators** - A firm must deal with its regulators in an open, transparent and cooperative way, and must tell the regulators promptly about anything relating to the firm of which the regulators would reasonably expect prompt notice to.

3. Compliance Arrangements

BlueLife' compliance obligations are to:

- maintain adequate procedures designed to detect any risk of failure by BlueLife to comply with our obligations under the regulatory system
- put in place measures and procedures designed to minimise such risks and enable us to exercise our powers appropriately.

To achieve this BlueLife must:

- monitor on a regular basis and assess the adequacy and effectiveness of the measures and procedures put in place in our business to manage our compliance obligations
- take action to address any deficiencies in the firm's compliance with its obligations
- independently advise senior management as to any deficiencies so that appropriate and timely action is taken by the firm to meet our Statement of Internal Governance

BlueLife has appointed a Compliance Officer whose role it will be to oversee the compliance requirements, being but not limited to, regulatory advice and assistance to personnel as and when required, to arrange compliance training as necessary and to ensure, by a process of formal and informal monitoring, adherence to regulatory rules as well as internal procedures.

4. Outsourcing

Wherever BlueLife outsources any business or operational function it retains overall responsibility for that function, it is not possible to delegate any regulatory responsibility in respect of the function concerned.

Where BlueLife relies on a third party (including an affiliate) for the performance of operational functions which are critical for the performance of our regulated activities on a continuous and satisfactory basis, it is under an obligation to avoid undue additional operational risk. In particular BlueLife should not outsource important operational functions if such action may have the effect of materially impairing the quality of its internal control and the ability to monitor our compliance with our obligations under the regulatory system.

BlueLife should take into account the following whenever giving consideration to outsourcing any functions:

- the capacity and ability to provide services;
- any relevant regulatory authorisation;
- relevant performance measures;
- any action that may needed to be taken in the event of unsatisfactory performance;
- sufficient and adequate resources and skills to supervise outsourced functions and manage any associated risks;
- adequate disclosure obligations on the third party in respect of any events or circumstances which may affect the quality of the service provided; and
- the ability to terminate any such arrangement without causing detriment to BlueLife.

In such instances the outsource provider is obliged to:

- cooperate with any other relevant authority;
- provide access to data and to its premises to BlueLife, our auditors and to the Regulator;
- protect confidential information; and
- maintain effective business continuity plans.

Examples of business functions which could possibly be considered relevant to this outsourcing requirement include:

- regular or constant compliance, internal audit, accounting or risk management support;
- data storage (both physical and electronic); and
- ongoing day to day software/systems management (e.g. where a third party carries out day to day functionality and/or runs software processes on its own systems).
- The following functions are not considered as critical:
- the provision to BlueLife of advisory services, and other services which do not form part of its relevant services and activities such as the provision of legal advice, the training of its personnel, billing services and the security of the firm's premises and personnel; and
- the purchase of any standardised services, including market information services.

BlueLife will always put in place formal written terms of engagement with any outsource provider.

5. Maintaining Competence

Generally International Regulators require all firms, including BlueLife, to ensure all its Employees remain competent. There are no prescriptive requirements but they would expect the following procedures within BlueLife:

- induction courses;
- training initiatives;
- supervision of staff; and
- appraisals.