



Evolution Trustees Limited as Responsible Entity for the Aspen Property Trust (“APT”)

ACN 611 839 519

AFSL 486217

CONFLICTS OF INTEREST POLICY

1 Purpose of policy

Evolution Trustees Limited (**ETL**) acts as the Responsible Entity (**RE**) for the Aspen Property Trust (**APT** or **Scheme**). Under its Australian Financial Services Licence (**AFSL**) ETL is required to develop policies and procedures which:

- identify actual or potential conflicts of interest;
- prescribe methods of avoiding conflicts of interest;
- prescribe methods for disclosing conflicts of interest;
- prescribe methods of dealing with conflicts of interest; and
- prescribe the actions to be taken by ETL to monitor and control conflicts of interest.

The objectives of this policy are to:

- identify conflicts of interest in the exercise of management obligations;
- identify regulatory and common law obligations relating to conflicts of interest; and
- prescribe policy for the disclosure, dealing and monitoring of conflicts of interest.

2 Application

This policy applies to all directors, staff and contractors of ETL, Aspen Group Limited (**AGL**), the Investment Manager of APT and Aspen Property Trust (**APT**) and associated entities (**Group**).

3 Definition of a conflict of interest

For the purposes of this policy, conflicts of interest are circumstances where the interests of ETL in its capacity as Responsible Entity for APT (and including the directors, officers, employees and contractors of ETL) and the Investment Manager of APT scheme members are inconsistent with, or diverge from, the interests of Aspen. This includes actual, apparent and potential conflicts of interest.

See *Appendix A* for examples of Conflict of Interest.

4 Regulatory environment

i) ASIC policy:

ASIC Regulatory Guide 181 requires AFSL licensees to develop a conflicts of interest policy and to implement appropriate procedures for the management, monitoring and controlling of conflicts of interest.

ii) Corporations Act 2001:

Chapter 2D - duties of directors, other officers and employees of companies

Directors, officers and employees have a duty to:

- act honestly, in good faith and not to use their position for personal gain or to use information not generally available for personal gain; and
- disclose any material personal interest.

Chapter 2E - procedures for related party benefits

- all related party benefits must be at arm's length terms
- directors, their spouses, parents and children are considered as related parties

Chapter 5C - requirements for management of managed investment schemes

The directors, responsible officers, compliance committee members and staff of a responsible entity are required to:

- act honestly;
- exercise the degree of care and diligence that a reasonable person would exercise if they were in the responsible entity's position;
- act in the best interests of members and, if there is a conflict between the members' interests and the RE's own interests, give priority to the members' interests;
- treat the members who hold interests of the same class equally and members who hold interests in different classes fairly;
- not to use information gained through being a responsible entity in order to gain an improper advantage and cause detriment to members of the scheme;
- ensure that the scheme's constitution meets the requirements of sections 601GA and 601GB;
- ensure the scheme's compliance plan meets the requirements of section 601HA;
- comply with the scheme's compliance plan;
- ensure scheme property is clearly identified and held separately from the property of the responsible entity;

- ensure scheme property is valued at regular intervals;
- ensure payments out of scheme property are made in accordance with the scheme's constitution and the Corporations Act 2001; and
- report to ASIC any matter that is likely to have a materially adverse effect on the interests of members.

Chapter 7 – financial services licensing

There are a number of obligations of financial services licensees, which deal with or relate to conduct potentially affected by conflicts of interest, including:

- doing all things necessary to ensure that financial services are provided efficiently, honestly and fairly (s912A(1)(a));
- having adequate risk management systems (s912A(1)(h));
- complying with financial services laws and to take reasonable steps to ensure representatives do likewise (s912A(1)(c) and (ca));
- having adequate compliance arrangements in place (reg. 7.6.03(g);
- disclosing all benefits and relationships in a Financial Services Guide before providing services to a retail client (s941A and s941B);
- disclosing benefits and relationships in a Statement of Advice when providing financial product advice to a retail client (s946A); and
- not engaging in misleading or deceptive conduct (s1041H), dishonest conduct (s1041G), unconscionable conduct (s991A) and insider trading (s1043A).

5 Common law obligations

Common law obligations operate in addition to statutory requirements.

There are instances where an AFS licensee will act in a fiduciary capacity and has an obligation to a client where the interest is not regulated under a statutory obligation. An example of a common law obligation is where an AFS licensee acts in a trustee capacity on behalf of a client.

6 Requirements in regard to conflicts of interest

Legal advice may be sought when a potential conflict exists.

Disclosure of Conflicts

All directors, staff and contractors must disclose any activities they or an associate engage in if these relate to:

- property development and/or management; or
- the provision of goods or services of any type to the public; and in the case of contractors, the provision of services to any individual or business undertaking property development or management, or fund management activities; or
- any other activity which may give rise to a conflict of interest, such as:
 - whether financial services are being provided in a manner that unfairly puts or has the potential to unfairly put the interests of directors, staff and contractors ahead of unitholders
 - whether financial services are being provided in a manner that unfairly puts or has the potential to unfairly put the interests of one

- unitholder over the interests of another
- whether directors, staff and contractors are using knowledge about scheme unitholders in a way that is or has the potential to advance personal interests without sufficient disclosure to them

Such activities are considered potential areas for conflicts of interest.

Details of such activities must be submitted for approval to the Boards of the entities referred to in clause 2 ("Relevant Board") prior to:

- a) the formal employment or engagement under contract within the Aspen Group or RE; or
- b) the establishment by existing employees or contractors of any activities referred hereto.

If approved:

It is at the Relevant Board's sole discretion whether to approve such activities. Approvals shall be recorded in the conflicts of interest register maintained for that purpose.

Even if the Board approves of the activities, the director, employee or contractor may not engage in those activities without express prior Board approval for each specific contract.

If not approved:

Where Board approval is not given for the activities and the person does not undertake to not engage in the un-approved activities, then:

- for candidates for employment (or appointment as director) or engagement on contract, they will not be considered; or
- for persons already employed or engaged on contract, that employment or engagement may be terminated, subject to that person's employment or engagement contract.

7 Reporting actual or potential conflicts of interest

All Group directors, responsible officers, and staff are required to report any actual or potential conflict of interest.

Any director or officer of the Group is required to report any actual or potential conflict of interest at a relevant Board meeting if the director or officer has an interest in the matter being dealt with at that Board meeting. The conflict will be recorded in the minutes of the Board.

All staff are required to report any conflict of interest, or matter referred to in Clause 6, to the Relevant Board and/or ETL Compliance Manager in the first instance. That officer shall report and arrange for details to be submitted to the appropriate Board for consideration and, if approved, for formal approval. The Compliance Manager shall record successful applications for Board approval in the Conflicts of Interest Register.

Where the ETL Compliance Manager has a conflict of interest he or she shall report the conflict in writing to the chairman of the Board for consideration and, if approved, for formal approval. If not approved, the Compliance Manager may

be requested to avoid the conflict of interest or if initiate internal action. It will then be recorded in the Conflicts of Interest Register.

8 Conflicts of interest register

The Responsible Entity will maintain a conflict of interest register and enter all conflicts of interest into the register. Which will record any actual and potential conflicts that may arise in connection with operations and the conflict management arrangements pertaining to the conflicts.

The Register shall record any special incentives that are offered to directors for the distribution of an Aspen product, or a product of another AFS Licensee.

The Register will also contain details of inter-company relationships that may provide a source of conflict, either now or in the future. It will be updated by the ETL Compliance Manager on an ongoing basis and will note:

- The nature of the conflict
- The nature of any control measures implemented to control the conflict

Details of directors, and senior staff share or unit holdings in all Aspen managed entities shall be reported in a standing report to the Board.

9 Conflicts of interest

When dealing with scheme members ETL or the Investment Manager of APT is not authorised to give personal financial advice.

The directors, the RE, the Investment Manager and the Compliance Manager will:

- identify conflicts of interest;
- assess and evaluate those conflicts; and
- decide upon, and implement an appropriate response to those conflicts.

Depending on the circumstances and the nature of any conflicts of interest, it may be appropriate to:

- disclose the conflict of interest;
- provide an alternative source of service to a client or member;
- decline to provide services to the client; and
- initiate internal disciplinary action.

10 Monitoring Conflicts of Interest

The Compliance Manager will monitor conflicts of interest on a routine basis to ensure all conflicts of interest are identified and disclosed where necessary.

Management of conflicts of interest will form part of the Compliance Plan. The policy and its enforcement will be included in and form part of the Risk Register of the RE, reviewed by the Investment Manager, the RE and the Audit Risk and Compliance Committee.

11 Compliance Measures

The Responsible Entity (RE) will maintain a conflicts of interest register.

Where the RE considers that a conflict has not been adequately disclosed it will be recorded in the breach register (an online incident management system) and referred to the Board in the first instance and tabled at the Audit Risk and Compliance Committee meetings of AGL where the conflict relates to the operation of a scheme.

Any significant breach (or likely significant breach) of the RE's relevant obligations must be reported to ASIC through ASIC Regulatory Portal, as soon as practicable, and in any case within 10 business days of the RE becoming aware of the breach or likely breach.

12 Policy Review

This policy will be reviewed on an annual basis.

Date of Board review and approval	August 2020
Date of management review: of Audit, Risk and Committee review: of approval by the AFM Board:	August 2020

APPENDIX A

Examples of Conflict of Interest Activities and Relationships

The following activities illustrate types of potential or actual conflicts of interest that should be avoided and disclosed, as applicable, in accordance with this policy. The list is not exhaustive and is intended to provide guidance only.

Conflicting duties: Participating in decisions relating to another party that may conflict with the interests of Aspen.

Self-benefit: Using your position or relationship within Aspen to promote your own interests or those of your family, including using confidential or privileged information gained in the course of your participation or employment at Aspen for personal benefit or gain or for the personal gain or benefit of family members. (Note there are additional obligations and liabilities for breaches of insider trading laws).

Conflicting relationships: Where outcomes may benefit others rather than Aspen.

Influence peddling: Soliciting benefits for yourself or your family from outside organisations in exchange for using your influence to advance the interests of that organisation within Aspen.

Other business relationships and dealings: Approving contracts with organisations in which you or your family have a significant financial or other interest or relationship, particularly if you are in a position to influence major decisions, are responsible for review, negotiation and approval of contracts, or otherwise direct Aspen's business dealings with that entity or business.

Intellectual Property: Inappropriate or unauthorised use of resources/materials developed under the aegis of Aspen or potential conflicts relating to the development and use of resources

Outside commitments: Participating in social or political activities is not restricted as long as you participate as an individual and not as a representative of Aspen.

Business transactions: Directly or indirectly leasing, renting, trading, or selling real or personal property to Aspen.

Use of Aspen's property for personal advantage: Using or taking Aspen's resources, including facilities, equipment, personnel, and supplies, for inappropriate private use or other unauthorised non-Aspen activities.

Recording or reporting false information: Misrepresenting, withholding, or falsifying relevant information required to be reported to external parties, or used internally for decision making purposes, in order to derive personal benefits.

Gifts: Personally accepting anything of value (unless nominal), including without limitation, payments, gifts, or loans from organisations or individuals that have dealings with Aspen.

Employees or their associates providing services to Aspen