



Wellington

COMPLIANCE PLAN

WELLINGTON CAPITAL LIMITED ACN 114 248 458 AFSL 291562

AS RESPONSIBLE ENTITY FOR

PREMIUM INCOME FUND ARSN 090 687 577

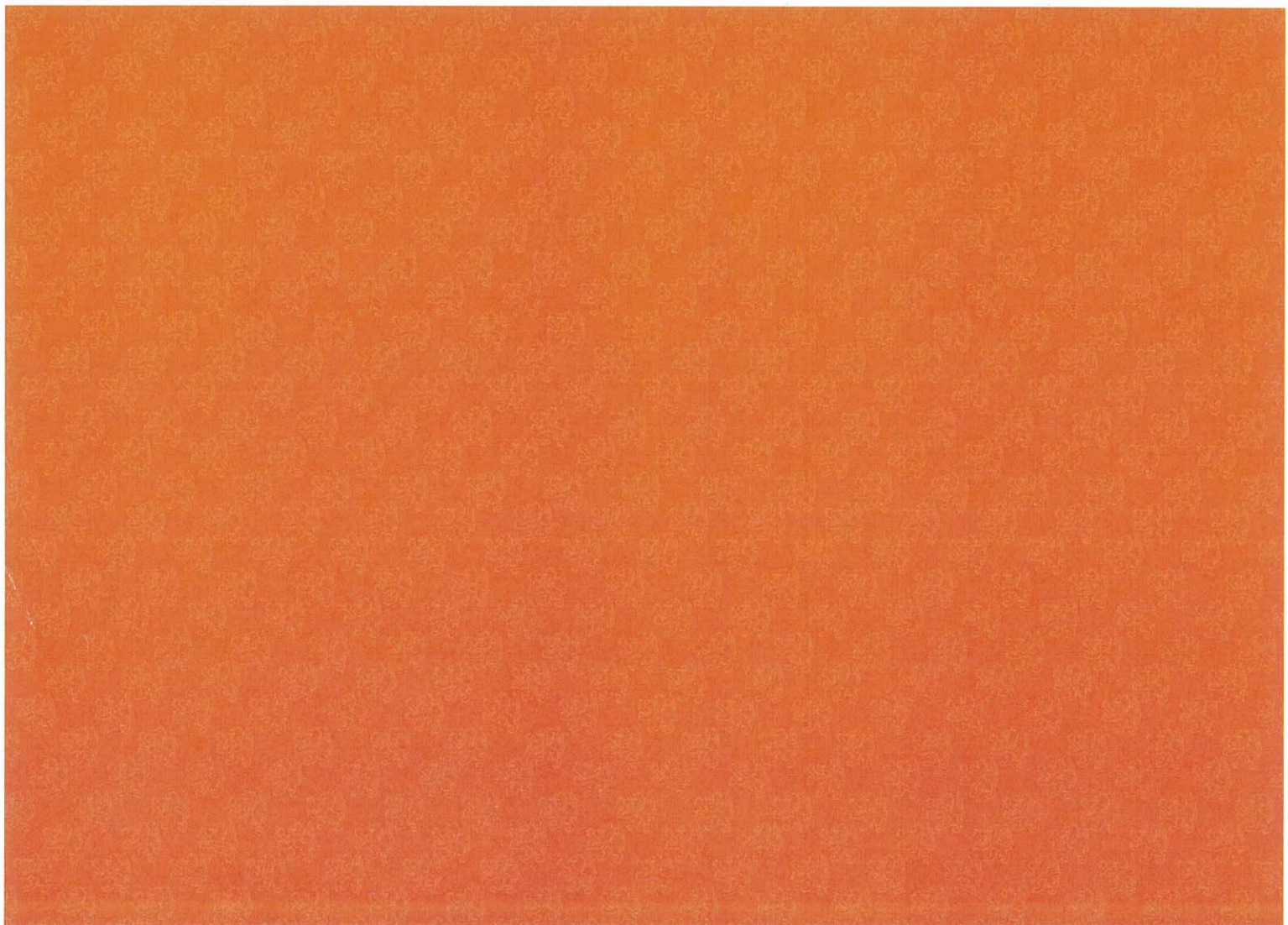


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1. DESCRIPTION OF THE SCHEME

- (a) The Scheme is a mortgage, direct real property and financial assets managed investment scheme established by deed dated 20 November 1999 and amended from time to time by the RE.
- (b) The Scheme has been registered as a managed investment scheme.
- (c) The Scheme will identify a range of mortgage assets, real properties and authorised investment opportunities in accordance with its Constitution and Disclosure Document. Potential investors will be asked to submit applications to the RE along with their investment money to subscribe for units, pursuant to a Disclosure Document.
- (d) Wellington Capital Limited is the RE of the Scheme. The RE is wholly responsible for the operations and well being of the Scheme. The RE may outsource any function it wishes to but it cannot delegate its responsibilities to the Scheme and remains at all times responsible for the actions of any entity it may outsource its functions to.
- (e) The RE is outsourcing some of its operating activities to the following External Service Providers:
 - (i) Legal Services - McCullough Robertson and HWL Ebsworth;
 - (ii) Compliance Plan Auditor - Vanessa De Waal, Crowe Horwath;
 - (iii) Accounting/Auditing – Pitcher Partners;
 - (iv) Registrar - Armstrong Registry Services Pty Ltd; and
 - (v) Custodian - Perpetual Nominees Limited.
- (f) These outsourcing arrangements are documented in External Service Provider agreements.
- (g) The promotion and sale of interests in the Scheme will be by way of a Disclosure Document and related marketing material.

2. COMPLIANCE PLAN

2.1 Purpose of this Compliance Plan

- (a) This Compliance Plan sets out the key processes, systems and measures the RE will apply to ensure compliance with its AFSL and the requirements of:
 - (i) Corporations Act;
 - (ii) Scheme Constitution;
 - (iii) industry standards relevant to the Scheme;
 - (iv) internal organisational standards and culture; and
 - (v) any Disclosure Documents.
- (b) This Compliance Plan is a ‘how to’ document, providing detail on:
 - (i) the obligations which must be met by the RE;
 - (ii) what measures or procedures are in place to comply with these obligations;
 - (iii) how compliance with those measures and procedures will be monitored; and
 - (iv) how those measures are updated.
- (c) This Compliance Plan also details the risks of not complying with these obligations, and how breaches are to be reported and addressed. The description of measures in place allows Staff with compliance responsibilities to identify what procedures they are

responsible for monitoring and how often they have to report on compliance or otherwise with those measures.

- (d) This Compliance Plan must be integrated into the operations of the Scheme and its use is not optional.
- (e) The organisation wants to achieve a compliance culture where Staff own compliance, and immediately report and address breaches as far as practicable. We want our Staff to not only do the right thing, but know how to do it. Failure to report a breach is treated seriously and as such, the RE adopts a no blame policy in relation to breaches but not so in relation to failure to report.

2.2 How to read this Compliance Plan

- (a) It is vital that users of this Compliance Plan understand their role in its effective implementation. There are several sections of the Compliance Plan that must be read by all users of this document in order to understand fully their responsibilities.
- (b) Sections that are considered essential reading, in addition to the specific Compliance Rules relevant to the user are:
 - 1 Description of the Scheme.
 - 2.1 Purpose of this Compliance Plan
 - 3.2 The Committee.
 - 3.3 The Compliance Officer.
 - 3.4 Role of the Audit.
 - Annexure A Glossary.
 - Annexure B Organisational structure chart.

2.3 Recognising that detail may be elsewhere

- (a) The Board, the Committee, Responsible Officers or the CO may recommend any form of manuals, controls, structures or procedures for the RE, which set out a greater degree of detail in relation to any matters addressed by this Compliance Plan. They may be adopted, replaced or updated from time to time by the Committee
- (b) Those manuals, controls, structures or procedures are not and do not become, by such approval or otherwise, part of this Compliance Plan.

3. THE COMPLIANCE FRAMEWORK

3.1 Overview of Compliance framework

- (a) The RE has in place a detailed framework to identify, control, report and manage compliance and business obligations, and ensure that the interests of members of the Scheme are protected. The framework includes:
 - (i) this Compliance Plan;
 - (ii) detailed policies and procedures available to all Staff;
 - (iii) Committee and Board reporting;
 - (iv) Staff training;
 - (v) formal External Service Provider agreements; and
 - (vi) monthly and quarterly compliance reports.

- (b) You should refer to the organisational structure chart in annexure B when reading this Compliance Plan.
- (c) The Compliance Plan and compliance framework comply with AS3806-2006.

3.2 The Committee

Functions

- (a) To the extent that the Corporations Act and ASIC policy requires, the functions of the Committee, are to:
 - (i) monitor to what extent the RE complies with the Compliance Plan and report its findings to the Board at such times it considers necessary or desirable;
 - (ii) assess at regular intervals (determined by the Committee) whether the Compliance Plan is adequate and up to date;
 - (iii) report on the adequacy of and make recommendations to the Board about amendments to the Compliance Plan at such times as it considers necessary or desirable;
 - (iv) report to the Board any breach of the Corporations Act involving the Scheme, or any breach of the provisions included in the Constitution of which the Committee becomes aware of, or suspects;
 - (v) report to ASIC any breach of which it becomes aware or suspects and has reported to the Board if the Committee is of the view that the Board has not taken, or does not propose to take, appropriate action; and
 - (vi) do such other things as the Corporations Act requires.

Membership

- (a) There will be at least 3 Compliance Committee members at all times with the majority of them being external members.¹
- (b) Members should be suitably qualified and should have significant experience, ideally of at least 5 years, in the financial service or property industry. Generally, members could have experience or qualifications in one or more of the following fields: law, accounting, finance, commerce, economics, business administration, marketing, actuarial or any related disciplines.
- (c) Each member of the Compliance Committee who is external must certify in writing to the Board that they satisfy the requirements of section 601JB(2), before they are appointed.
- (d) The Compliance Committee must report to the Board if it forms the view that a proposed member of the Compliance Committee does not have the skills appropriate to fulfill their responsibilities as a Compliance Committee member.
- (e) An external Compliance Committee member is required to immediately notify the Board when they become aware they fail to satisfy section 601JB(2). In such circumstances the Board must move immediately to replace that Compliance Committee member

Replacement

If a Committee Member resigns, is removed, becomes unable to act, or ceases to be an External Member so that:

- (a) there would be less than three Committee Members; or
- (b) the majority of the Committee Members would not be External Members,

¹ 601JC(1), 601HA(1)(b)(i)

then the Board must, if the Corporations Act requires and within the time prescribed by the Corporations Act, appoint another person to the position. A person may not be appointed to the Committee unless he or she consents to the appointment.

Removal

The Board may remove a Committee Member by giving 14 days notice to that Committee Member.

Retirement

A Committee Member may retire by giving 14 days notice to the Committee and the Board.

Alternates

A Committee Member may nominate a person to be their alternate member. If the Committee Member is an External Member, the alternate must qualify as an External Member. Any alternate Committee Member must be a person acceptable to the Board.

Delegating functions

A Committee Member may delegate his or her functions to another person, but remains responsible for that person acting in their place.

Duties of Committee Members

To the extent that the Corporations Act and ASIC policy require, the Committee Members must:

- (a) act honestly;
- (b) exercise the degree of care and diligence that a reasonable person would exercise if they were in the Committee Member's position;
- (c) not make use of information acquired through being a Committee Member to either gain an improper advantage for the Committee Member or another person or cause detriment to Investors;
- (d) not make improper use of their position as a Committee Member to gain (directly or indirectly) an advantage for themselves or for any other person or cause detriment to the Investors; and
- (e) do such other things as the Corporations Act requires them to do, and not do such things it prohibits them from doing.

Chair

- (a) The Board may appoint a chair for the Committee meeting indefinitely or for a term, and terminate that appointment at any time. If no chair is so appointed or the chair is not present at a meeting, the Committee Members present may elect a chair for the meeting. The chair must be an External Member.
- (b) Subject to this Compliance Plan and the Corporations Act, the chair may determine the manner in which a meeting of the Committee Members will be regulated.
- (c) The decision of the chair on any matter relating to the conduct of a meeting is final.

Adjournment

The chair has power to adjourn a meeting for any reason to such place and time as he/she thinks fit.

Attendees

Any member of the Board, officer of the RE, the Scheme auditor or the Compliance Plan auditor, and any invitee of any member of the Board or of any Committee Member, may attend and speak at a Committee Meeting.

Quorum

- (a) The quorum for a meeting of Committee Members is two members, as long as at least one of them is an External Member. If a quorum is not present within 15 minutes after the time set for the meeting, the meeting is adjourned to such place and time as the Committee Members present decide. They must tell the other Committee Members of the time and place.
- (b) At any adjourned meeting, those Committee Members present will constitute a quorum.

Minutes, reports and recommendations

The chair must ensure that minutes of Committee meetings and records of its reports and recommendations are kept, and a copy of any of them signed by the chair is taken to be a true record unless the contrary is proved. The minutes and records must be available to Committee Members, the Directors, the Scheme auditor and the Compliance Plan auditor.

Meeting frequency

The Committee must meet at least four times a year, unless the Committee Members agree it is not necessary for a particular period.

Meeting method

- (a) The Committee meetings may be held using any technology agreed by all the Committee Members, for example, Internet relay chat or video or voice conference. The Committee may make recommendations without a Committee meeting being held if all the Committee Members sign a document containing a statement that they are in favour of the recommendation set out in the document.
- (b) Separate copies of a document may be used for signing by Committee Members if the wording of the resolution and statement is identical in each copy. The recommendation is made by the Committee when the last Committee Member signs the document.

Convening meetings

Any Committee Member may convene a meeting of the Committee on five business days notice or such shorter time as the other Committee Members agree. If a Committee Member does not receive notice (including if notice was accidentally omitted to be given to them) the meeting is not invalidated.

Voting on issues

Voting at a meeting of Committee Members is by simple majority. The chair has a casting vote. No objection may be made to any vote cast unless the objection is made at the meeting.

Disclosure of interests

A Committee Member must disclose to the next meeting of the Committee after he/she becomes aware of:

- (a) a direct or indirect pecuniary interest that they have in a matter being considered or about to be considered by the meeting if it could conflict with the proper performance of their duties in relation to the consideration of the matter; and
 - (b) such other things (if any) as the Corporations Act requires,
- and the disclosure must be recorded in the minutes.

Indemnification of members

Subject to the Corporations Act², the RE may agree that a Committee Member is to be indemnified by the RE (itself or through a related entity).

² The Corporations Act limits the RE's indemnification of compliance committee members – see s601JF

Insurance of members

Subject to the Corporations Act³ the RE or a related body corporate (directly or through a related entity) will pay or agree to pay a premium in respect of a contract of insurance insuring a Committee Member.

Remuneration of members

The Committee Members are entitled to such remuneration as the Board determines from time to time.

Resources

The Committee must inform the Board if it believes that it does not have adequate resources or access to information to enable it to perform properly its functions as a committee.

Terminating the Committee

- (a) The Board may advise the Committee in writing that the Committee is no longer appointed to act for the Scheme if the Corporations Act does not require a Committee for the Scheme.
- (b) The Committee for the Scheme ceases to be appointed for the Scheme on completion of the winding up of the Scheme.

Access to records and information

- (a) If ASIC directs the RE, or if the Corporations Act otherwise requires the RE, to give ASIC information about the arrangements contained in this Compliance Plan, and compliance with it, the Committee must ensure that (as soon as it is aware of the direction) the information is provided as soon as practicable.
- (b) The Committee is entitled to have access to the accounting records of the Scheme, the Scheme auditor and Compliance Plan Auditor and to any information that is relevant to assessing the RE's compliance with the Corporations Act.

Advising of changes to the Compliance Plan

The Committee must ensure that copies of this Compliance Plan and any amendments to the Compliance Plan are given to each Responsible Officer.

Form of reports

The Committee may determine the form of any report from a relevant Responsible Officer or Staff Member concerning his or her relevant functions as identified in this Compliance Plan. A report need not be in writing.

Advice

The Committee Members may commission advice or assistance if the Corporations Act permits to assist in the discharging of their obligations at the reasonable expense of the Scheme.

3.3 The Compliance Officer

Overview of the role

- (a) The CO will ensure adequate internal systems and controls have been implemented to ensure compliance with this Compliance Plan, the Corporations Act, the Scheme's Constitution, the RE's AFSL, and internal and industry standards.
- (b) The CO is also required to promote a compliance culture within the organisation and among the RE's External Service Providers. The CO is primarily responsible for reviewing compliance on an ongoing basis, providing or facilitating training, reporting on

³ The Corporations Act limits the RE's payment of insurance premiums for compliance committee members – see s601JG

compliance matters, including breaches, to the Committee and acting on recommendations of the Committee. Matters can be escalated to the Board or ASIC if necessary.

Qualifications, reporting line, frequency and format of reporting

The CO must have a minimum of three years experience in the industry and report directly to the Committee quarterly or more frequently as required. The format of reporting is as per the pro forma report in annexure D.

3.4 Role of audit

The role of the Auditor⁴ is to annually:

- (a) examine the Compliance Plan;
- (b) carry out an audit of compliance with the Compliance Plan; and
- (c) submit a report to the Board as to whether, in the Auditor's opinion, the RE has complied with the Compliance Plan throughout the period and if the Compliance Plan continues to comply with the requirements of Part 5C.4 of the Corporations Act.

3.5 Reviewing and amending the Compliance Plan

- (a) To ensure the Compliance Plan continues to provide an adequate compliance framework for protection of Investors, the RE will report to the Committee at least annually on the continued adequacy of the Compliance Plan.
- (b) So that the Committee is informed of all internal developments, all Staff are instructed to report in writing all proposed changes in operating structure and procedures to the CO. These reports are included in the CO's quarterly report to the Committee.
- (c) Part of the CO's role is to remain up to date with all regulatory and industry standard changes. Any such changes that impact the Compliance Plan are also reported to the Committee in the CO's quarterly report to the Committee.
- (d) The auditor of the Compliance Plan may also include any recommendation for amendments to the Compliance Plan or the procedures of the RE.
- (e) Subject to the Corporations Act, the RE can amend or replace this Compliance Plan. The Committee can recommend changes of the Compliance Plan to the RE. Only the RE can modify the Compliance Plan⁵. The Board must sign any amendments to or replacement of the Compliance Plan. The CO is responsible for submitting the amendment or replacement Compliance Plan to ASIC and ensuring all Responsible Officers and Committee Members receive notification of the change and an updated copy of the Compliance Plan.

3.6 Summary of compliance procedures

Compliance Rule	Function	Responsible Officer	Reporting frequency
4.1	Income	CFO/FM	Monthly
4.2	Fees and expenses	CFO/FM	Monthly
4.3	Applications (A), distributions (D), and withdrawals (W)	Registrar (A), CFO (D), FM/CO (W)	Annually (A), Quarterly (D) After each withdrawal

⁴ Appointed in accordance with section 601HG of the Corporations Act

⁵ Section 601HE of the Corporations Act

Compliance Rule	Function	Responsible Officer	Reporting frequency
			offer (W)
4.4	Safe keeping and segregation of Scheme property	CFO/FM	Monthly
4.5	External Service Providers	FM/MD/MDP	Quarterly (for omissions) and Annually (for reviews)
4.6	Record keeping and disclosure	CFO/FM	Annually
4.7	Disaster Recovery	FM	Annually
4.8	Valuation	FM/MDP	As and when valuation required
4.9	Investment restrictions	FM	On acquisition and Half Yearly
4.10	Insurance	FM/MDP	Annually and on acquisition of Scheme asset
4.11	Promotion of Scheme and disclosure to Investors	MD/FM/CFO/CO	Ongoing
4.12	Training and recruitment	MD/CO	Annually
4.13	Monitoring AFSL and authorised representatives	CO/FM	Quarterly
4.14	Related Party issues	MD/CO	Annually or as required
4.15	Conflict of interest management	MD/FM/CO	Quarterly
4.16	Complaints	CO	Within one month of complaint being received
4.17	Compliance with Listing Rules	FM	Half yearly
4.18	Unit Pricing	CFO	After each issue or redemption of units
4.19	Transfer of units	CS	Quarterly (for omissions) half year (reviews)
4.20	Transmission of units	CS/CO	Quarterly (for omissions) half yearly (reviews)
4.21	Members register	CO	Half yearly
4.22	Meeting of Members of the Scheme	CS/CO	Annually
4.23	Amending the Constitution	Board	As required

Compliance Rule	Function	Responsible Officer	Reporting frequency
4.24	Access to copies of the Constitution	CO	As required
4.25	Amending the Compliance Plan	CO	As required
4.26	Removal and resignation of Compliance Plan Auditor	CS	As required
4.27	Termination of Scheme	Board/CS/MD	As required
4.28	Risk management	CO/MD	Annually
4.29	Documents of the Scheme	MD/CO	Quarterly
4.30	Removal or retirement of the manager	MD/CO	As required
4.31	Compliance checking by ASIC	CO	As required
4.32	Reporting breaches	CO	Quarterly or following each significant breach

4. SPECIFIC COMPLIANCE RULES

4.1 Income

Responsible Officer: CFO/FM

Frequency of Reporting: Monthly

Source of Obligation: RG 132.25

Function	Risks	Procedures	Monitoring of procedure
Collect and record all mortgage assets, property and investment income due to the Scheme per the Constitution and Disclosure Document.	Not all income due to the Scheme is received.	Mortgage repayments, interest, rental income from tenants are paid directly to the Scheme's bank account. The CFO prepares a monthly income budget based on agreements and compares to actual income deposited into the Scheme's bank account each month. Differences are investigated as soon as detected. Any 90 day and over debtors must be specifically referred by CFO to the FM who shall make a determination as to whether the matter should be referred to the solicitors of the RE to issue formal letters of demand or commence recovery proceedings.	A reconciliation of monthly income budgets with actual income received are reviewed by the CO following preparation by the CFO and review by FM.

4.2 Fees and expenses

Responsible Officer: CFO/FM

Frequency of Reporting: Monthly

Source of Obligation: s601FC(1)(k) of Corporations Act

Function	Risks	Procedures	Monitoring of procedure
Pay appropriate Scheme related expenses and fees payable to the RE.	Expenses and management fees paid are not valid or are overpaid.	All invoices received are reviewed by the FM to ensure services or goods were received and related to the property. A summary of approved expenses to be paid for the month with copies of related invoices is provided to the CFO who arranges payment. Two of either the MD, CS, CFO are required to sign each cheque or authorise each electronic transfer. The CFO calculates the RE's or other agents' fees monthly in accordance with details per the Constitution, Disclosure Document and any contracts with other agents.	The CO reviews the CFO's calculation of the RE's fees, which are calculated monthly and checked quarterly. The CO provides details of the review process to the Committee.
Expense reimbursements are calculated and processed in accordance with the requirements of the Constitution, the Corporations Act and the most recent representations made to Investors.	The RE is reimbursed for expenses for which it should not have been reimbursed.	Expenses for which the RE is entitled to be reimbursed from Scheme assets are set out in the Constitution and in the most recent representations made to Investors. The RE is only entitled to be reimbursed for such Expenses where the expenses are incurred in the proper performance of the RE's duties in respect of the Scheme. Expense reimbursements are appropriately allocated and paid to the RE by the CFO. The CFO maintains records of all expense reimbursements. The CFO also maintains documentation that supports the fact that all expenses incurred are no greater than would have been incurred in any arms length transaction.	Expense reimbursements paid to the RE are subject to spot checks by the CO. A report on any adverse findings is provided to the Committee. The CFO reviews the monthly general ledger report detailing expense reimbursements paid to the RE to ensure payments are permitted by the Constitution and the most recent representation made to Investors, and calculated and allocated appropriately.

4.3 Applications, distributions and withdrawals

Responsible Officer: Registrar (Applications); CFO (Distributions) and FM/CO (Withdrawals)

Frequency of Reporting: Annual (Applications); quarterly (Distributions), after each withdrawal offer (Withdrawals)

Source of Obligation: s1017E, s601GA(4), Part 5C.6, s1017F, s601FC(1)(k) of Corporations Act

Function	Risks	Procedures	Monitoring of procedure
Applications are processed in a timely manner and are invested in the correct Scheme at the correct price and in the manner specified in the Constitution and Disclosure Document. Application monies are dealt with in accordance with s1017E of the Corporations Act.	Application money not processed correctly. Incorrect number of units purchased, units in wrong Scheme are purchased. Funds are not dealt with correctly under s1017E and ASIC takes action or the Auditor qualifies audit report.	Asset Account The RE to maintain an Asset Account in the name of the Custodian for the Scheme that complies with s1017E of the Corporations Act. Application Forms Each Application Form must be checked by the RE on receipt. If the Application Form is not completed correctly, the Applicant must be contacted and the Application Form corrected if that can be done by the RE (for example, writing in an applicant's ACN), or returned to the Applicant if not. Banking of Application Monies Application Monies will be banked to the Asset Account within 24 hours of receipt. The RE will account to the Investor within 21 days after allotment of any interest earned on application monies less bank and statutory deductions. Application monies will be refunded to unsuccessful applicants within 14 days after RE serving notice of rejection. Minimum Subscription No money will be transferred from the Asset Account except on reaching the minimum subscription for the Scheme as set out in the Disclosure Document.	CO undertakes an annual review to check that application form procedures and acknowledgement procedures are being complied with.

Function	Risks	Procedures	Monitoring of procedure
		If the minimum subscription is not reached by the closing date for the Scheme, the Board must ensure all Application Monies are returned to Investors within 10 days of the closing date. Once the minimum subscription has been reached (either by cleared funds or necessary binding legal documentation in circumstances where applications are to be funded from settlement monies), the FM certifies to the Board that the minimum subscription has been reached. Acknowledgement An acknowledgment will be forwarded to each Investor within 14 days of the offer closing detailing how many securities the Investor has been allotted.	
Distributions (capital and income) to Investors are calculated correctly and paid in a timely manner in accordance with the Constitution and Disclosure Document.	Distributions will be under/overpaid or not paid in accordance with the Constitution.	Distributions will be made quarterly to Investors, either by bank transfer or such other means as the RE determines. The distributions must be made by the last business day of the month following the end of each calendar quarter. Distribution dates are diarised by the CFO. Profit and Loss Statements, Cashflow Forecasts and Distribution calculations are to be prepared by the CFO prior to a distribution being made and approved by the FM. Distributions will be made of available funds as demonstrated by these statements. Where a direct deposit for a Unitholder has 'failed' the distribution will be forwarded to the Unitholder by cheque on this occasion only together	The FM reviews each proposed quarterly Distribution as prepared by the CFO prior to the distribution occurring. The MD provides sign off to Board. The CO checks each quarterly distribution and reports to the Committee on any discrepancies. The Distributions will be subject to audit by the Scheme auditor as part of the statutory period end audit program.

Function	Risks	Procedures	Monitoring of procedure
		with a request for correct direct deposit information.	
Withdrawals are processed in accordance with the requirements of the Constitution and the Corporations Act.	Withdrawals are permitted at times when they should not be permitted, withdrawals are processed incorrectly or contrary to the requirements in the Constitution.	The RE may offer to Investors the opportunity to withdraw the amount of available capital specified in the offer. The MD will communicate the extent of the available capital to Investors when appropriate by inclusion in the Investor Newsletter and posting details on the website. If no withdrawal offer is open, Investors may only transfer, assign or transmit their interest in the Scheme in accordance with the Constitution.	CO to review Investor Newsletter and website noting terms of the withdrawal offer and communicating outcomes to the Committee after each withdrawal offer is made.

4.4 Safe keeping and segregation of Scheme property

Responsible Officer: CFO/FM

Frequency of Reporting: Monthly

Source of Obligation: s601FC(1)(i) of Corporations Act

Function	Risks	Procedures	Monitoring of procedure
Ensure Scheme property is: (a) clearly identified as Scheme property; and (b) held separately from property of the RE and property of any other scheme.	Scheme property is mixed with that of the RE or other schemes and cannot be separately identified.	Transfers of funds from the Asset Account are reconciled monthly by CFO and FM to ensure that all relevant moneys are paid into the Scheme's accounts. Cash held in the Scheme's Bank Account is reconciled monthly to Scheme records by the CFO. Breaches are followed up by the FM as soon as they are detected. The Custodian holds property title and lease documents in safe custody.	CFO confirms six monthly to Board that all Scheme monies have been banked into a Scheme account and all Scheme monies and Scheme assets are held in Scheme's name

4.5 External Service Providers

Responsible Officer: FM/MD

Frequency of Reporting: Quarterly (for omissions) and Annually (reviews)

Source of Obligation: s601FB of Corporations Act

Function	Risks	Procedures	Monitoring of procedure
Carry out adequate due diligence when appointing External Service Providers.	The Scheme may incur loss due to poor service from External Service Providers.	General: The FM must undertake adequate due diligence prior to appointing an External Service Provider to ensure the provider has the requisite skill and resources to perform the outsourced task All contracts with External Service Providers must be reviewed and approved by the MD prior to appointment of the provider to ensure that the agreement is on normal commercial terms and is consistent with the RE's AFSL conditions. Legal advice must be obtained if the FM considers it necessary. Managing Agent: Prior to engaging a Managing Agent, a thorough analysis of the Managing Agent's ability to perform the delegated functions is undertaken by the FM including: (a) negotiation of rent reviews and leases; (b) collection of rent; (c) maintenance of property; and (d) payment of invoices. Managing Agents are evaluated and monitored to ensure they comply with the terms of the management agreement, the Constitution and the requirements of the Corporations Act. Managing Agents communicate with FM on a regular basis regarding arrears control, leasing, marketing and rental reviews.	FM in conjunction with MDP to undertake annual review of External Service Providers to ensure they continue to maintain the requisite skill and, where applicable, resources to perform the outsourced tasks. CO to review process and report to the Committee.
Monitor External Service Providers to ensure they comply with contractual obligations and service level agreements.			The FM is required to visit each of the Scheme's properties each year to font their own assessment of its condition and the performance of the Managing Agent. Annual review undertaken by FM on the performance of Managing Agent. An annual report on the performance of Managing Agent is then prepared by the FM and provided to the CO. The CO reports to the Committee on any adverse performance of a Managing Agent each quarter.

Function	Risks	Procedures	Monitoring of procedure
		assessment report addressing such matters as ownership, key staff, systems development, insurance, disaster recovery plan and reporting of complaints and breaches, and compliance with the Corporations Act and the Constitution. The report is provided to the Company Secretary who subsequently provides a report to the FM, who then reports to Committee and the Board. Other service providers: The FM measures performance of External Service Providers against service level agreement targets and compliance with service agreements on an annual basis.	

4.6 Record keeping and reporting

Responsible Officer: CFO/FM

Frequency of Reporting: Annually

Source of Obligation: Chapter 2M of the Corporations Act

Function	Risks	Procedures	Monitoring of procedure
Correctly record and explain transactions, financial position and performance, enabling true and fair financial statements to be audited and correct tax returns submitted.	Incorrect or insufficient records resulting in qualified audit report. Penalty payments resulting from incorrect tax returns. Tax information to Investors is insufficient.	The CFO confirms to the Board annually that all relevant accounting standards have been complied with during the year.	The Auditor's annual report and half yearly review are provided to Board.
Ensure records are maintained for a minimum of seven years.	RE breaches reporting requirements in Corporations Act	Yearly sign-off to the Committee from the FM that: (a) the Scheme has appropriate record keeping and archiving procedures; (b) all records are held for a minimum of 7 years and storage records are recorded in a storage register; and (c) records are held in safe and secure premises.	CO diarises the dates when this sign-off is due to be received and follows up if overdue.

4.7 Disaster Recovery

Responsible Officer: FM

Frequency of Reporting: Annually

Source of Obligation: RG 132.25

Function	Risks	Procedures	Monitoring of procedure
Ensure Scheme has an appropriate Disaster Recovery Plan in place.	Disaster Recovery Plan is not appropriate and important Scheme data is lost.	The RE has established a Disaster Recovery Plan for the information systems components of critical business processes relating to the Scheme. The Disaster Recovery Plan contains, among other things, details of contacts lists of key staff members, back-up systems and processes, and the frequency of testing and review. The IT Manager is responsible for ensuring that: (a) the Disaster Recovery Plan is reviewed and tested at least once every year; and (b) as part of the planning for business continuity, essential data and records are stored off site in a secure manner.	The IT Manager prepares a report on the adequacy of the Disaster Recovery Plan including the information systems of critical business processes. The CO reviews the report and presents to the Committee.

4.8 Valuation

Responsible Officer: FM

Frequency of Reporting: As and when valuation required

Source of Obligation: s601FC(1)(j) of Corporations Act

Function	Risks	Procedures	Monitoring of procedure
To ensure that the value of securities which are Scheme Assets is assessed objectively at regular intervals and in a manner appropriate to the nature of the assets and in accordance with the Corporations Act, AASB 139 or other applicable accounting standards.	Value is not assessed objectively at regular intervals and the insurance cover of the Scheme becomes inadequate. Breach of the Constitution or the Corporations Act or AASB 139 or other applicable accounting standards. Value is not assessed objectively and regularly and the Scheme's records of its securities become incorrect/unreliable.	Procedures for assessment of value of assets unless otherwise stated in the Constitution are consistent with AASB 139 or other applicable accounting standards. The records of the RE accurately reflect value changes of Scheme Assets in a timely manner. Financial instruments Financial Instruments are designated at fair value through profit and loss upon initial recognition. These include financial assets that are held for trading purposes and which may be sold. These are investments and fixed interest securities, equity instruments and units in management investments schemes. Financial assets and financial liabilities designated at fair value through profit and loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the Scheme's documented investment strategy. The Scheme's policy is for the RE to evaluate the information about these financial assets on a fair value basis together with other related financial information. Mortgage Loans and Other Financial Instruments Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted	The CFO reviews and certifies at least annually that accounting valuation procedures are consistent with applicable accounting standards and are appropriate for the Scheme's asset types. The CFO certifies annually that procedures for the accounting and tax valuation of assets have been adhered to and Scheme Assets are properly identified by nature and type. The CFO reviews and certifies at least annually that valuation procedures are consistent with the Constitution, Corporations Act, Australian Accounting Standards or accepted industry standards and are appropriate for the Scheme's asset types.

Function	Risks	Procedures	Monitoring of procedure
		in an active market. They arise when the Scheme provides money, goods or services directly to a debtor with no intention of selling the receivables. Recognition/derecognition The Scheme recognises financial assets and financial liabilities on the date the Scheme becomes party to the contractual agreement and recognises changes in fair value of the financial assets or financial liabilities from this date. Investments are derecognised when the right to receive cash flows from the investments has expired or the Scheme has transferred substantially all risks and rewards of ownership. Investments are initially recognised at fair value plus transaction costs for all assets not carried at fair value through profit and loss. Financial assets carried at fair value through profit and loss are initially recognised at fair value and transactions costs are expensed in the Consolidated Statement of Comprehensive Income. Measurement Financial instruments are held at fair value through profit or loss. Mortgage loans Loan assets are measured initially at fair value plus transaction costs and subsequently amortised using the effective interest rate method, less impairment losses if any. These assets are reviewed at each balance date to determine whether there is objective evidence of	

Function	Risks	Procedures	Monitoring of procedure
		impairment. If evidence of impairment exists, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate. If in a subsequent period the amount of an impairment loss recognised on a financial asset carried at amortised cost decreases and the decrease can be linked objectively to an event occurring after the writedown, the write-down is reversed through the Statement of Comprehensive Income. Other financial assets Included in 'Other financial assets' are asset backed investments which are measured initially at fair value (plus transaction costs directly attributable to the acquisition) and subsequently at amortised cost using the effective interest rate method, less impairment losses if any. These assets are reviewed at each Balance sheet date to determine whether there is objective evidence of impairment. If any such indication of impairment exists, an impairment loss is recognised in the Statement of Comprehensive Income as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate. If in a subsequent period the amount of an impairment loss recognised on a financial asset carried at amortised cost	

Function	Risks	Procedures	Monitoring of procedure
		decreases and the decrease can be linked objectively to an event occurring after the writedown, the write-down is reversed through the Statement of Comprehensive Income. Fair value in an active market Financial assets are priced at current bid prices, while financial liabilities are priced at current asking prices. Fair value in an inactive or unquoted market The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions such as on ASX or similar.	
To ensure that the value of direct real property which are Scheme Assets is assessed objectively at regular intervals and in a manner appropriate to the nature of the assets and in accordance with the Corporations Act, AASB 140 or other	Value is not assessed objectively at regular intervals and the insurance cover of the Scheme becomes inadequate. Breach of the Constitution or the Corporations Act or AASB 140 of other applicable accounting standards. Value is not assessed	Procedures for assessment of value of direct real property assets unless otherwise stated in the Constitution are consistent with all other applicable accounting standards. The value of the real property must be assessed no less than annually. Valuations must be undertaken within 3 years of the date on which the RE first completes a purchase of a real property and thereafter at least once every 3 years. The records of the RE accurately reflect value changes of direct real property which are Scheme Assets in a	Board must review the panel of valuers on an annual basis. MD or CFO is to pass any valuation received to the CO who will review the valuation and include the valuation in the next report to the Committee.

Function	Risks	Procedures	Monitoring of procedure
applicable accounting standards.	objectively and regularly and the Scheme's records of its direct real property become incorrect/unreliable.	timely manner. Valuers will be selected by the MD or CFO from a panel of valuers pre-selected on the basis of qualification and experience. Valuers must be independent of the RE. The MD or CFO will establish and maintain lines of communication with panel valuers with a view to obtaining information on a regular basis as to trends and fluctuations in property valuations generally. These are indicators that the property may need to be re-valued. The instructions to the valuer will be prepared by the MD or CFO in accordance with the Scheme's Constitution. Valuations will be considered when preparing the financial statements of the Scheme. New valuations must be reflected in the Scheme Accounts within 7 days of acceptance of the valuation from the Board of Directors.	

4.9 Investment restrictions

Responsible Officer: FM

Frequency of Reporting: On acquisition and Half yearly

Source of Obligation: s601FC(4), 601GA(1)(b), 601GA(3) of Corporations Act

Function	Risks	Procedures	Monitoring of procedure
Ensure that the Scheme only invests in assets of the type and within the limits as set out in the Constitution, the Corporations Act and the most recent Disclosure Document given to Investors.	Investment will be made in contravention of the Constitution, Corporations Act, or representations made to Investors.	The FM is ultimately responsible for ensuring the investments of the Scheme and investment process comply with this Compliance Rule. Properties or securities that fit the Scheme's acquisition and disposal strategy are researched, and if thought appropriate, the FM submits a written investment proposal to the Board for approval.	The FM/CO reviews the Scheme's performance and investments half yearly to monitor and ensure investments continue to meet the Scheme's investment strategy. The MDP maintains comprehensive files about the Scheme's investment properties.
The risks associated with the investment have been managed in accordance with the Constitution and/or Disclosure Document.	That risks will be managed inappropriately causing loss to Investors.	The FM is responsible for managing the assets of the Scheme having regard to the Risk Management Statement (RMS) of the Scheme. The RMS identifies and quantifies the risks to which the Scheme is exposed or potentially exposed. The FM will monitor risk management on a macro-economic scale by ongoing monitoring of: (a) interest rate forecasts; (b) national and global economic trends; (c) the property industry; (d) government policy and its impact on property and property investment; and (e) any other risks identified by the FM.	The FM/CO will report to the Committee annually on any new risks or changes to risks faced by the Scheme. The Committee will review the RMS on an annual basis and assess: (a) demographic influences; (b) changing retail patterns; (c) impact of technology changes; (d) replacement of unexpected tenant vacancies; (e) any other matters the Committee considers appropriate; to determine if the RMS needs amendment.

Function	Risks	Procedures	Monitoring of procedure
Finance facilities are consistent with the Constitution and disclosures made in relation to finance facilities (if any) in the most recent Disclosure Document.	That risks will be managed inappropriately causing loss to Investors.	The CFO will review on a quarterly basis the finance facilities to ensure compliance by both debt providers and the Scheme. Prior to obtaining any new finance facilities the CFO will ensure the facility is consistent with the requirements of the Constitution and those previously disclosed to Investors.	The CO shall at random intervals (not less than annually) review the finance facilities to ensure compliance with the restrictions in the Constitution and otherwise disclosed to investors.
To ensure that loan approval procedures are in place.	Loans are not reviewed and approved by appropriate Staff, causing loss to the Scheme and Investors.	All loan applications for a mortgage must meet the relevant lending criteria prior to the approval of a loan. The FM is responsible for ensuring that all loan funding has been approved by the Board. No loan moneys shall be advanced unless the Board has approved the loan.	The FM reviews the Scheme's performance and loan approvals half yearly to monitor and ensure loan approvals continue to meet the Scheme's investment strategy. The FM maintains comprehensive files about the Scheme's loan approvals.

4.10 Insurance

Responsible Officer: MDP/FM

Frequency of Reporting Annually and on acquisition of Scheme asset

Source of Obligation: RG 132.25; s912B of Corporations Act

Function	Risks	Procedures	Monitoring of procedure
Maintain appropriate insurances in respect of:	Loss of Scheme assets due to events that could have been insured against.	An insurance risk appraisal is undertaken by the MDP as part of the due diligence process on acquisition of property or other security in order to identify risk.	The FM reports to the Board when a new insurance policy is entered into.
(a) insurable Scheme assets,		Thereafter the insurance risk appraisal is updated by the FM annually with the results communicated to the Board. The MDP must consider any valuations received in accordance with Compliance Rule 4.9 in appraising risk.	The FM will diarise renewal dates for insurance policies and check that the MDP has implemented the review/renewal process.
(b) public liability,	Inappropriate professional indemnity cover may breach RE's AFSL and impact operation of the Scheme.		The CO will report to the Committee all notifiable events occurring in the period immediately prior to the Committee meeting.
(c) professional Indemnity and			
(d) fraud by the RE's officers and agents.		A minimum of two quotes are obtained by the Broker to be supplied to the FM to cover the risks identified by the insurance risk appraisal. The FM can rely on the Broker's experience in assessing the quotes. It's the FM's responsibility to decide which quote should be accepted and on what terms the policy should be entered into by the RE. Policies in respect of property will cover areas such as property damage, loss of rent and public liability and may include machinery breakdown.	
		The level of public liability insurance is determined by the FM by reference to industry practice and the level of recent court awards.	
		The level of professional indemnity cover is as required under the AFSL.	

Function	Risks	Procedures	Monitoring of procedure
		The Board may by resolution in a particular circumstance waive the requirement for insurance over a particular property provided: (a) the FM has notified the Committee; and (b) the Board is satisfied there are other appropriate arrangements for the reinstatement of the Property and loss of rent (at limited cost to Unitholders) in the event it is damaged or destroyed; and (c) minutes of the Board document the reasons for the waiver of insurance.	

4.11 Promotion of Scheme and disclosure to Investors

Responsible Officer: MD/FM/CFO/CO

Frequency of Reporting: Ongoing

Source of Obligation: Part 7.9 of Corporations Act

Function	Risks	Procedures	Monitoring of procedure
Issue Disclosure Document and Marketing material that comply with the <i>Corporations Act</i> and provide the RE with the maximum due diligence protection and defences.	Disclosure Document or advertising material is misleading to Investors. Action by Investors to recover any losses suffered. Disclosure Document is subject to an ASIC stop order. Forecasts in Disclosure Document do not have a reasonable basis.	Disclosure Document: Any Disclosure Document is to be prepared in accordance with a written due diligence program that facilitates stakeholder review and verification of the Disclosure Document so that reasonable steps are taken to ensure the Disclosure Document contains all required information and does not contain any misleading or incorrect statements. MD to ensure external legal counsel and Board review and sign off on each Disclosure Document. MD to liaise with ASIC where required regarding Disclosure Document and submit any required notices within time periods required by the Corporations Act and any ASIC Regulatory Guides. Marketing Material: All marketing material is prepared and authorised by the MD. Legal advice may be sought where appropriate.	Disclosure Document: CO checks appropriate sign-offs have been obtained and adequate due diligence undertaken in accordance with the due diligence program prior to release of Disclosure Document. Marketing Material: CO reviews marketing file every 6 months to check appropriate approval was obtained for offer documents and formal reports.
RE complies with Continuous Disclosure Obligations under the Corporations Act.	RE does not comply with Continuous Disclosure Obligations and ASIC takes action against the RE.	The RE has a procedure for preparing, authorising and issuing announcements in relation to any matter that is to be disclosed under the Continuous Disclosure Obligations. The FM has responsibility for ensuring all staff are made aware of this procedure. The FM has primary responsibility for monitoring the Scheme and making	The CO is to record in the training register what staff have undergone training on the RE's Continuous Disclosure Obligations. The CO is responsible for obtaining an annual report from the FM or MD on whether the Scheme has complied with its Continuous Disclosure Obligations. The CO is to compile a quarterly compliance report

Function	Risks	Procedures	Monitoring of procedure
		continuous disclosure where required.	to the Committee.
The requirements for periodic reporting to Investors are complied with	RE does not comply with periodic reporting requirements and is subject to action by ASIC or claims for compensation from Investors who suffer loss as a result.	The CFO is responsible for recording the deadlines for: (a) lodgement and dispatch of annual report and lodgement of and half yearly financial reports and annual reports; (b) other communications with Investors required by the Corporations Act, Constitution, and where applicable the Listing Rules, and for providing details of those deadlines to the CO. The CO is responsible for ensuring that the deadlines provided by the CFO are met. Periodic Statements are to be prepared in accordance with a Due Diligence Program that facilitates stakeholder review and verification of the Periodic Statement to ensure Periodic Statement contains all required information and does not contain any misleading or incorrect statements.	The CO is required to report on a half yearly basis to the Committee regarding the RE's compliance with its periodic reporting requirements.
The requirements for periodic reporting to ASIC/Exchange are complied with.	RE does not comply with periodic reporting requirements and is subject to action or penalties by ASIC or Exchange or claims for compensation by Investors who suffer loss as a result.	The CFO is responsible for recording the deadlines for: (a) lodgement of annual and half yearly financial reports and annual reports; (b) lodgement of audit report on Scheme, Compliance Plan and AFSL; (c) other communications with ASIC/Exchange required by the Corporations Act and applicable Listing Rules, and for providing details of those deadlines to the CO. The CO is responsible for	The CO is required to report on a half yearly basis to the Committee regarding the RE's compliance with its periodic reporting requirements.

Function	Risks	Procedures	Monitoring of procedure
		ensuring that the deadlines provided by the CFO are met.	

4.12 Training and recruitment

Responsible Officer: MD/CO

Frequency of Reporting: Annually/Half yearly

Source of Obligation: RG 166; RG 164

Function	Risks	Procedures	Monitoring of procedure
Staff are competent and receive sufficient training for them to be able to perform their duties and to be familiar with the requirements in the Compliance Plan.	Staff do not have the skills necessary to competently perform their duties. Key Staff have specific knowledge that the RE loses if they leave the employment of the RE.	Appointment of Directors is subject to rigorous checking of good fame and character. Details of the checking process will be retained and reviewed by the CO for appropriateness. Directors will be requested to submit annually an update stating details of any other current directorships held by the directors and any conflicts of interests (within the meaning of ASIC Regulatory Guide 181). The AFSL Responsible Managers will be requested to annually submit a list of continuing professional education attended to maintain and update competencies. Appointment of other Staff will be by the MD after ensuring the applicant has necessary qualifications and referees as to good fame and character. Training of all Staff and AFSL Responsible Managers will be conducted annually and will include specific training in relation to the Compliance Plan and in relation to any Disclosure Document published by the RE.	CO will maintain a training register for all Staff and AFSL Responsible Managers. CO will review the personnel procedures annually to ensure they reflect best practice and make such amendments as required. The CO will review annually the organisational chart and ensure its AFSL Responsible Managers meet the training requirements of RG 104 and RG 105 and are competent to carry out obligations and responsibilities under the RE's AFSL.

4.13 Monitoring AFSL and authorised representatives

Responsible Officer: CO/CFO

Frequency of Reporting: Quarterly

Source of Obligation: s601FA, s601FC(1)(h), s912A(1)(b) of Corporations Act

Function	Risks	Procedures	Monitoring of procedure
Ensure the RE complies with the conditions of its AFSL at all times and ensures the licence remains current.	Licence suspended or revoked.	The CFO reviews the Scheme's assets and accounts on a monthly basis to ensure RE is meeting its financial requirements as set out in ASIC Regulatory Guide 166 (including solvency cash needs and NTA requirements). In addition, an AFSL requirements checklist is completed quarterly by the CO.	The Auditor reviews the AFSL requirements annually and provides an audit report to the Board and ASIC. The CO reports the results of the review of the AFSL requirements checklist to the Committee on a quarterly basis. It is the Company Secretary's responsibility to ensure any AFSL ASIC reporting requirements are met including AFSL lodgements and AFSL returns. The CO to review the procedures and report any discrepancy.

4.14 Related Party issues

Responsible Officer: CO/MD

Frequency of Reporting: Annually or as required

Source of Obligation: s601FG, s601FD(1), s601FE(1) of Corporations Act

Function	Risks	Procedures	Monitoring of procedure
To ensure financial benefit is not given to the RE or a Related Party unless approved by the Board and disclosed to Investors.	Investors suffer loss. Detrimental to the reputation of the RE and the Scheme.	A register of Related Parties is held by the CO. A copy of this register is available to all Staff. All Staff are trained in Related Party transaction procedures when they commence employment. A register is maintained noting details of all Staff who have attended this training. All Related Party transactions are subject to approval by either the Investors or by the MD and two directors prior to the giving of any financial benefit. Authorisation is only given if the transaction is considered in the best interest of Investors and the Corporations Act allows the transaction to be approved without Investor approval. External legal advice is obtained if best interest cannot be determined. If at any time a Staff Member wishes to purchase an interest in the Scheme they must obtain MD's approval or if the Staff Member is the MD, the Board's approval. In this regard, the MD or the Board (as applicable) must act in the best interests of the Scheme in deciding whether to approve the purchase.	The training register is reviewed annually by the CO to ensure all new Staff have attended Related Party training. The CO reviews the Related Party transaction procedures on an annual basis to ensure it is appropriate and reflects market practice including the IFSA Standard on Related Party transactions. The results of the review and any recommendations are reported to the Committee.
Appropriate segregation of Staff is in place to minimise any conflicts of	A financial advantage is obtained through inappropriate handling of	The RE has policies in relation to confidentiality of information, conflict of interest, personal trading and related party trading. Compliance with these	The continuing adequacy of these policies is assessed by the Committee annually.

Function	Risks	Procedures	Monitoring of procedure
interest.	client money, Scheme assets or the use of confidential information.	policies is monitored by the CO.	

4.15 Conflict of interest management

Responsible Officer: MD/FM/CO

Frequency of Reporting: Quarterly

Source of Obligation: s912A(1)(aa) of Corporations Act

Function	Risks	Procedures	Monitoring of procedure
To ensure that conflicts of interest are dealt with in accordance with the Act.	Investors assets are diminished. The RE fails to act independently and in the best interests of the Investors. The RE or its associates may get a benefit or the Investors assets may be diminished.	The MD will review the conflict of interest policy and record any actual or potential conflicts of interest. The FM shall keep a conflict of interest register. The Register shall contain: a description of the conflict; whether it is to be controlled or avoided; and if there should be disclosure, how and to whom it has been disclosed. The CO will at least annually speak to employees and representatives to ensure that they understand the conflict of interest policies. Following these meetings the CO will report the findings to the Committee. Where a conflict of interest occurs, the MD will deal with the conflict in accordance with the requirements of the conflicts of interest policy.	The CO shall review the conflict of interest policy for its adequacy at least annually. The CO shall review the register of conflicts of interest and report the finding to the Committee. The CO will monitor the conflict of interest training for all new employees. The CO will review all disclosure of conflicts of Interest for its adequacy.

4.16 Complaints

Responsible Officer: FM

Frequency of Reporting: Monthly

Source of Obligation: s601GA(1)(c), s912A(2) of Corporations Act

Function	Risks	Procedures	Monitoring of procedure
Handle Investor, and other parties' complaints in a manner consistent with the Corporations Act, Constitution and ASIC requirements relating to the AFSL.	Complaints are not adequately addressed and are escalated to litigation. Breach of AFSL and/or Constitution.	All complaints are referred to the Complaints Officer who records the details in a complaints log. The Complaints Officer is responsible for investigating and responding to complaints in accordance with the RE's Internal Dispute Resolution Procedural Program ('IDR Program'). The Complaints Officer will provide a quarterly report to the Compliance Manager, Senior Management and the Compliance Committee of all complaints and the Compliance Manager will report to the Board and the committee within one month of receipt of the report. Details reported include: (a) all complaints received by the RE for that quarter; (b) the details of the resolution of those complaints; (c) the number of complaints outstanding and proposed timeframes and progress reports; (d) recommendations to the RE which seek to address issues discovered through the investigation and resolution of complaints; and (e) recommendations relating to the improvement of the IDR Program. Senior Management will ensure that the Complaints Officer (and appropriate staff to whom complaints are referred) are appropriate skilled and trained when appointed to their positions and that they are given the opportunity and incentive, at least annually to attend training sessions or programs to update their existing skills in dispute resolution,	The Committee and Senior Management reviews the quarterly complaints report and associated responses to ensure they have been informed of all complaints and that the complaints have been or are in the process of being satisfactorily resolved. The Compliance Manager maintains a training register noting Staff that have received complaints training and when. The IDR Program will be subjected to an annual internal review by Senior Management. The internal review should be a comprehensive review of the IDR Program, measuring its effectiveness against the relevant ASIC benchmarks and other law and policy and taking into account any changes in the RE's business. The IDR Program will be subject to an external review, to be conducted by lawyers appointed by Senior Management, held at least every five years.

Function	Risks	Procedures	Monitoring of procedure
		decision making, customer communication, or on such other courses as they or Senior Management believe are appropriate.	

4.17 Compliance with Listing Rules

Responsible Officer: FM

Frequency of Reporting: Half yearly

Function	Risks	Procedures	Monitoring of procedure
Monitor compliance with Listing Rules.	Listing Rules are not complied with and the Exchange takes action against RE.	The CS is responsible for: (a) monitoring compliance with the Listing Rules; and (b) monitoring changes to the Listing Rules and informing the Responsible Officers of relevant changes so that any impact on the Scheme can be determined and any processes updated as required.	The Committee is responsible for obtaining a report from the CO at least twice a year on whether this Compliance Rule has been observed, and for submitting that report to the Board.

4.18 Unit pricing

- (a) Responsible officer: CFO.
- (b) Frequency of reporting: after each issue or redemption of units.
- (c) Source of obligation: RG 134; CO 05/26; RG 132.25.

Function	Risks	Procedures	Monitoring of procedure
To ensure units are calculated and priced accurately in accordance with the Corporations Act, the Constitution, relevant ASIC relief applicable to the Scheme and the Scheme's unit pricing policy.	Unit pricing errors occur or units are issued at prices that contravene the Corporations Act, Constitution, ASIC relief or unit pricing policy.	Units may only be issued or redeemed in accordance with the requirements of the Constitution, the Corporations Act, any applicable ASIC relief and unit pricing policy. The CFO is responsible for ensuring that, before any units are issued or redeemed: (a) the price at which units are to be issued or redeemed is calculated under the direction of the CFO, reviewed by the CFO and approved by the Board; (b) the issue price is calculated based on the net asset value; and (c) if the units are to be issued to a Related Party of the Manager, legal advice is obtained which confirms that the issue complies with the Corporations Act.	After units are issued or redeemed, the CFO reports to the Compliance Committee to confirm that the unit pricing procedures have been complied with. The Compliance Committee reviews unit pricing procedures on an annual basis to ensure that unit pricing is being performed in a manner consistent with the requirements of the Constitution, Corporations Act, ASIC relief and unit pricing policy.

4.19 Transfer of units

- (a) Responsible officer: CS.
- (b) Frequency of reporting: quarterly (for omissions) and half yearly (reviews).
- (c) Source of obligation: section 1017A Corporations Act, Constitution.

Function	Risks	Procedures	Monitoring of procedure
Transfer of units in the Scheme in accordance with the Constitution.	Transfers incorrectly processed. The register of Members is inaccurate.	The CS may prepare a form of transfer to be used by Members wishing to transfer their units. The form of transfer must ensure that the transferee agrees to be bound by the provisions of the Constitution and any other relevant agreements. It is not the obligation of the Manager to locate a purchaser of the Members' units in the Scheme. The Manager must not effect any transaction or dealing in units on behalf of a Member unless: (a) the transfer of units is accompanied by a transfer of the Member's units (stamped if applicable) together with any other reasonable documentation required by the Manager; (b) the Member has paid or otherwise provided for, to the Manager's satisfaction, all fees, duties, taxes, etc.; and (c) the Manager is satisfied that the transfer is not contrary to any legislation or guidelines issued by or on behalf of the government or the Commonwealth of Australia on the ownership of assets by persons not being Australian persons. Every instrument of transfer of a unit which is registered must be retained by the Manager for any period that the Manager may	It is the responsibility of the MD to monitor and supervise the transfer of units in the Scheme. The CS must review the transfer procedure at least annually to ensure it complies with the Constitution, Compliance Plan and the Corporations Act. The CS confirms half yearly compliance with the procedures and report any exception to the Compliance Committee.

Function	Risks	Procedures	Monitoring of procedure
		decide or as required by the Constitution.	
		The CS must register a transfer of a unit within two months after the date on which it is received or refuse to register the transfer, in accordance with the Constitution.	
		The CS may refuse to register a transfer without assigning a reason.	

4.20 Transmission of units

- (a) Responsible officer: CS and CO.
- (b) Frequency of reporting: quarterly (for omissions) and annually (reviews).
- (c) Source of obligation: Constitution.

Function	Risks	Procedures	Monitoring of procedure
Transmission of units in the Scheme in accordance with the Constitution.	Incorrectly recording ownership of units. The register of Members is inaccurate.	In the case of the death of a Member, only the survivor (if joint ownership) or the executors or administrators are recognised by the Manager as having title to, or an interest in, the units registered in the deceased's Members name. In the case of the death of a Member then the Manager may require: (a) a certified copy of the death certificate; (b) a certified copy of the will of the Member (if any); and (c) depending upon the value of the units: (i) if the Member's units are less than \$20,000 then the Manager may register the executor or administrator; or (ii) if the value of the units is in excess of \$20,000 the Manager may require evidence of a grant of probate or letters of administration. In the case of a joint holding of Member's units, then the Manager may require sufficient evidence or identification (e.g. drivers licence, passport, certified copy of birth certificate) of the survivor before recognising a transmission. Any person becoming entitled to	The CS must review the transmission procedure at least annually to ensure it complies with the Constitution, Compliance Plan and the Corporations Act. The CO confirms annually compliance with the procedures and reports any exception to the Compliance Committee.

Function	Risks	Procedures	Monitoring of procedure
		any units as a consequence of death, incapacity or bankruptcy of a Member may upon producing to the Manager reasonable evidence: (a) of the capacity in which they propose to act; or (b) of their title to the units, be registered as the holder of the units and the Manager may cancel the existing certificate for the units and issue a new certificate for the units in their name.	

4.21 Members register

- (a) Responsible officer: Registrar and CO.
- (b) Frequency of reporting: half yearly.
- (c) Source of obligation: section 168(1)(a) Corporations Act.

Function	Risks	Procedures	Monitoring of procedure
A Register is to be kept which accurately represents the Members who have a unit in the Scheme.	The register is incorrect or out of date.	The Register may be written or in digital form, however if the Register is stored digitally, sufficient precautions must be taken to ensure: (a) the integrity of the information; and (b) protection of the information against disaster. Where a change in the details of a Member is received by the Manager, the Registrar must procure the amendment of the Register within two business days of receipt of the information by the Manager. The information relating to a Member may be expunged from the Register at any time during the seven years after a person ceases to hold any units. The Register must be open for inspection by Members or representatives of Members under the Constitution. Copies of those parts of the Register to which a Member or other persons with a proper purpose are entitled are available on payment of the fee of not more than the amount prescribed by the Corporations Regulations.	CO must conduct half yearly reviews to ensure compliance with the procedures and report any exceptions to the Compliance Committee.

4.22 Meeting of Members' of the Scheme

- (a) Responsible officer: CS and CO
- (b) Frequency of reporting: annually.
- (c) Source of obligation: Corporations Act, Constitution.

Function	Risks	Procedures	Monitoring of procedure
Meeting of Members must be conducted in accordance with the requirements of the Constitution and Corporations Act.	Meetings are conducted in contravention of the Corporations Act.	A meeting of Members must be held at a reasonable time and place. The Manager may hold a meeting of Members at two or more venues using any technology that gives the Members as a whole a reasonable opportunity to participate in the meeting. A Director chairs any meeting of Members. The Scheme Auditor and the Compliance Plan Auditor are entitled to attend any meeting, to be heard and to answer the queries of Members. The CS must maintain and ensure that minutes of meetings are signed as soon as practicable after meeting by the chairman of the meeting or the chairman of the next meeting. The CS must keep the minute books at the registered office of the Manager, or its principal place of business in Australia or any other places approved by ASIC.	The CS, in conjunction with the chairman of the Board, is responsible for calling and coordinating meetings. The CO must annually review compliance with the procedures and report any exceptions to the Compliance Committee.

4.23 Amending the Constitution

- (a) Responsible officer: Board.
- (b) Frequency of reporting: as required.
- (c) Source of obligation: section 601GC Corporations Act and Constitution.

Function	Risks	Procedures	Monitoring of procedure
The Constitution may be modified or repealed and replaced with a new constitution under the Corporations Act and the Constitution.	The Constitution is modified and repealed and replaced without due regard to Members' rights.	The Board must meet and review any proposed modification to the Constitution. If the modification to be effected is such that it does not adversely affect Members' rights then the Board may resolve to amend the Constitution. The Board must undertake a comparison of Members' rights before and after the modification is effected and document this process. Where the Board considers the modification to the Constitution adversely affects Members' rights then the proposed modification must be placed before and approved by the Members of the Scheme at a general meeting. The Manager calls a meeting of Members of the Scheme in accordance with the Constitution. The modification must be lodged with ASIC within 14 days, at which time it takes effect.	Any proposed modification to the Constitution must be approved by the Board. Any proposed modification to the Constitution that adversely affects Members' rights must also be approved by the Members of the Scheme. The amending Constitution must be signed and lodged with ASIC.

4.24 Access to copies of Constitution

- (a) Responsible officer: CO.
- (b) Frequency of reporting: as required.
- (c) Source of obligation: section 601GC(4) Corporations Act.

Function	Risks	Procedures	Monitoring of procedure
Members are entitled to have access to copies of the Constitution.	The Manager fails to comply with the Corporations Act.	The Responsible Officer must send a copy of the Scheme's Constitution to a Member within seven days if the Member requests a copy (in writing) and provided the Member pays the appropriate and reasonable copying fee as calculated by the Responsible Officer but not exceeding that prescribed by Schedule 4 of the Corporations Regulations.	The Responsible Officer must notify the CO if he or she is unable to comply with the Member's request.

4.25 Amending the Compliance Plan

- (a) Responsible officer: CO.
- (b) Frequency of reporting: as required.
- (c) Source of obligation: section 601HE Corporations Act.

Function	Risks	Procedures	Monitoring of procedure
The Manager may modify the Scheme's Compliance Plan or repeal it and replace it with a new compliance plan.	The Compliance Plan does not accurately reflect the requirements of the Constitution or the Corporations Act .	Any requested amendments to the Compliance Plan are addressed by the CO as soon as practicable. All proposed amendments to the Compliance Plan are reviewed by the CO. The amended Compliance Plan is reviewed and approved by the Compliance Committee, signed by the Board and lodged with ASIC within the timeframe specified by the Corporations Act.	The Compliance Plan is subject to an annual audit by the Compliance Plan Auditor. The CO is responsible for monitoring compliance with the Compliance Plan by the Manager and reporting to the Compliance Committee.

4.26 Removal and resignation of Compliance Plan Auditor

- (a) Responsible officer: CS.
- (b) Frequency of reporting: as required.
- (c) Source of obligation: section 601HH, section 601HI Corporations Act.

Function	Risks	Procedures	Monitoring of procedure
Actions taken in respect of the Auditor must only occur in accordance with the Constitution and the Act.	The Manager fails to act in accordance with the Corporations Act.	The Manager: (a) must remove the Compliance Plan Auditor if the Compliance Plan Auditor becomes ineligible under section 601HG(2) Corporations Act to act as auditor of the Compliance Plan; and (b) may at any time, with ASIC's consent, remove the Compliance Plan Auditor. ASIC's consent must be obtained before the Compliance Plan Auditor's removal or resignation taking effect. ASIC must be advised in writing to update the Scheme's registration details to show the new auditor, as soon as practicable after the change.	The CS liaises with ASIC on the removal or resignation of the Compliance Plan Auditor. The CS must notify ASIC, in writing of the appointment of the new Compliance Plan Auditor.

4.27 Termination of Scheme

- (a) Responsible officer: Board, CO and MD.
- (b) Frequency of reporting: as required.
- (c) Source of obligation: section 601GA(1)(d), part 5C.9 Corporations Act and Constitution.

Function	Risks	Procedures	Monitoring of procedure
The process for terminating the Scheme must be done in accordance with the Constitution and the Corporations Act.	The Scheme is incorrectly terminated.	The Scheme may only terminate at the expiration of the Scheme or as specified in the Constitution or the Corporations Act. Members may resolve to wind up the Scheme. The Manager may under the Corporations Act, in certain circumstances, terminate or wind up the Scheme. If the Scheme is to be wound up, the Manager must: (a) realise Scheme property in accordance with the Constitution; (b) ensure that notice is given to Members and ASIC of the winding up in accordance with the requirements of the Corporations Act (if any); (c) have the final accounts of the Scheme audited; and (d) distribute the proceeds of realisation of the Scheme property in accordance with the Constitution and the Corporations Act.	The decision to wind up the Scheme must be approved by the Board. The MD commences the winding up with assistance from the Manager's legal advisers and regularly reports to the Board. The final accounts are audited.

4.28 Risk management

- (a) Responsible officer: CO and MD.
- (b) Frequency of reporting: annually.
- (c) Source of Obligation: section 912A(1)(h) Corporations Act.

Function	Risks	Procedures	Monitoring of procedure
The Manager has adequate risk management systems in place.	Internal and external Scheme risks are not adequately identified, assessed and managed, potentially placing Members' funds at risk.	A risk management system has been developed under the essential requirements of the Australian Standard on Risk Management. A risk register has been created which: (a) identifies risks; (b) assesses the consequence and likelihood of the risk occurring; (c) rates the level of risks identified; (d) identifies controls to minimise the risk; (e) prioritises risks; and (f) assigns responsibility of the risk.	The CO reviews and reports to the Board on Scheme related risks annually. The MD annually reviews the risk management system to ensure it remains consistent with the Australia Standard and also annually confirm compliance with the risk reporting procedures and reports to the Compliance Committee.

4.29 Documents of the Scheme

- (a) Responsible officer: MD and CO.
- (b) Frequency of reporting: quarterly.
- (c) Source of obligation: section 912F and section 601EC Corporations Act.

Function	Risks	Procedures	Monitoring of procedure
The Manager must ensure that documents relating to the Scheme include the Manager's AFSL number. All documents lodged with ASIC must contain the ARSN with all other relevant documents maintained or destroyed in accordance with the Corporations Act.	Non compliance is a breach of the Corporations Act.	All standard business documents (e.g. letterhead, with compliments slips and templates) must be approved by the MD. The MD, another Director or their delegate reviews information for distribution to Members before it is dispatched to Members. All documents for lodgement at ASIC must be signed and checked by the MD or at least one Director.	CO to quarterly review compliance.

4.30 Removal or retirement of the Manager

- (a) Responsible officer: MD and CO.
- (b) Frequency of reporting: as required.
- (c) Source of obligation: division 2 and 3, part 5C.2 Corporations Act.

Function	Risks	Procedures	Monitoring of procedure
The Manager complies with the requirements of the Corporations Act, the Constitution and the Compliance Plan in the circumstances where the Manager retires or is removed as the responsible entity.	The Manager breaches the law and Members' interests are placed at risk.	The Manager only retires as the responsible entity of the Scheme under circumstances permitted by the Corporations Act and the Constitution. Legal advice may be sought. Where the Manager retires or is removed, the CO ensures that the Manager: (a) lodges the required notice with ASIC so that ASIC may give effect to the retirement; and (b) as soon as practicable after retirement or removal, gives to the new responsible entity any records in the Manager's possession or control as required under the Corporations Act. Any replacement responsible entity must sign a deed by which it covenants to be bound by the Constitution as if it had originally been a party to it.	The CS reports to the Board on the progress of the retirement or removal of the Manager as responsible entity.

4.31 Compliance checking by ASIC

- (a) Responsible officer: CO
- (b) Frequency of reporting: as required
- (c) Source of obligation: Section 601FF Corporations Act.

Function	Risks	Procedures	Monitoring of procedure
The Manager must take all reasonable steps to assist ASIC with compliance checking.	Breach of the Corporations Act.	Staff must be trained (including reception) on how to deal with ASIC officers. Any correspondence from ASIC must be immediately reported to the CO. The CO is responsible for notifying the Board and Compliance Committee and liaising with the relevant officers to gather the required information.	The CO must report any adverse findings to the Compliance Committee Members and the Board. Information must be given to ASIC as required and within the timeframe set.

4.32 Reporting breaches

Responsible Officer: CO

Frequency of Reporting: Quarterly or following each significant breach

Source of Obligation: s601FC(1)(1), s912D of Corporations Act

Function	Risks	Procedures	Monitoring of procedure
Any breach of the Corporations Act, Constitution, or this Compliance Plan are identified, reported and rectified.	Refer to risks of non-compliance referred to in previous Compliance Rules.	Breaches/incidents identified by Responsible Officers are to be reported to CO. A minor non-compliance requires the preparation of a Breach/Incident Report to be forwarded to CO. A major non-compliance is required to be immediately verbally reported to CO and immediate supervisor and the preparation of a Breach / Incident Report is to be forwarded to CO. Upon receipt of a Breach / Incident Report, the CO must submit to the Director of Compliance a report on the Breach / Incident, the details of the amended policy/procedure, training provided and an extract of the Breach Register. The CO (in conjunction with the Committee where required) assesses whether the breach needs to be reported to ASIC and makes the notification if required. The CO is responsible for deciding the steps to remedy the breach All breach reports are presented to the Committee. Breach reports remain open until approved by the Committee. All Staff are trained on Breach Reporting Policy by the CO on induction and are updated on an annual basis.	Breach reports are reviewed each quarter by the CO to ensure breaches have been appropriately addressed and that all breaches in the previous quarter have been reported to the Committee. Any open breach reports are reviewed by the Committee quarterly and reported to the Board at the next Board meeting.

Glossary

AFSL	means an Australian Financial Services Licence granted to the RE by ASIC authorising the RE to provide various financial services.
AFSL Responsible Manager	means a Staff Member or any other person appointed by the RE to act as a Responsible Manager for the RE for the purposes of the RE's AFSL.
ASIC	means the Australian Securities and Investments Commission.
ASIC relief	means any declaration or modification made or exemption granted by ASIC at any time and continuing in force and applicable Scheme.
Auditor	means the auditor appointed by the RE to perform the role set out in section 3.4 of this Compliance Plan.
Board	means the board of Directors of the RE.
Broker	means an insurance broker appointed by the RE to assist the RE in complying with its insurance obligations.
CFO	means Chief Financial Officer of the Responsible Entity from time to time.
CO	means the compliance officer appointed by, the RE in accordance with section 3.
Committee	means the Compliance Committee of the Scheme.
Committee Member	means a member of the Committee appointed by the RE in respect of the Scheme.
Compliance Plan	means this compliance plan as it applies from time to time in relation to the Scheme.
Compliance Rule	means each of the compliance tasks listed in section 4 of this Compliance Plan.
Complaints Officer	means the person responsible for: (a) The maintenance of the Complaints Register; and (b) (where practicable) the investigation, resolution and communication of all Complaints received under the IDR Program and unless a specific officer has been appointed to perform all of these functions, the Complaints Officer for the Schemes will have this role;
Constitution	means the constitution of the Scheme as amended from time to time.
Continuous Disclosure Obligations	means any applicable continuous disclosure or notification of material changes and significant events obligations under the Corporations Act or the Listing Rules in relation to the Scheme.
Corporations Act	means the Corporations Act 2001.

CS	means the company secretary appointed by the RE in accordance with section 3.
Director	means a director of the RE.
Disclosure Document	means an offer document relating to issue of units in the Scheme, being either a PDS or a combined PDS and prospectus.
Exchange	includes the National Stock Exchange, or where relevant the Australian Stock Exchange or any similar stock market.
External Member	has the meaning given to that term in section 601JB of the Corporations Act.
External Service Providers	means: (a) registrars; (b) Managing Agents/Facilities Manager; and (c) other persons, providing major services as agent or delegate for the RE in relation to the Scheme from time to time.
FM	means the Fund Manager of the RE from time to time.
Investor	means a person holding an interest in the Scheme either as a unit holder, syndicate member or as an option holder.
IDR Program	means the internal dispute resolution procedural program adopted by the RE.
IT Manager	means the IT Manager appointed by the RE from time to time.
Listing Rules	means the Listing Rules of Exchange as they may apply to the Scheme from time to time or otherwise as amended, varied or waived (whether in respect of the Scheme or generally) from time to time.
Managing Agent	means an External Service Provider appointed by the RE to manage real property of the Scheme, and collect rent where required.
MD	means Managing Director of the RE from time to time.
MDP	means Managing Director of Property Services or Associate Director Property ('ADP') of the RE whichever is applicable at the time.
Organisational Structure	means the structure of the RE which for the time being is set out in Annexure B.
PDS	means a product disclosure statement relating to the Scheme.
Registrar	means the registrar of the RE, from time to time.
Related Party	in relation to the RE, has the meaning given to that term in section 228 of the Corporations Act.
RE	means the responsible entity of the Scheme, which is for the time being is Wellington Capital Limited ACN 114 248 458, holder of AFSL 291562.
Responsible Officer	means a Staff Member of the RE or any other person who is given responsibility for ensuring compliance with a Compliance Rule.
Scheme	means the managed investment scheme to which this Compliance Plan

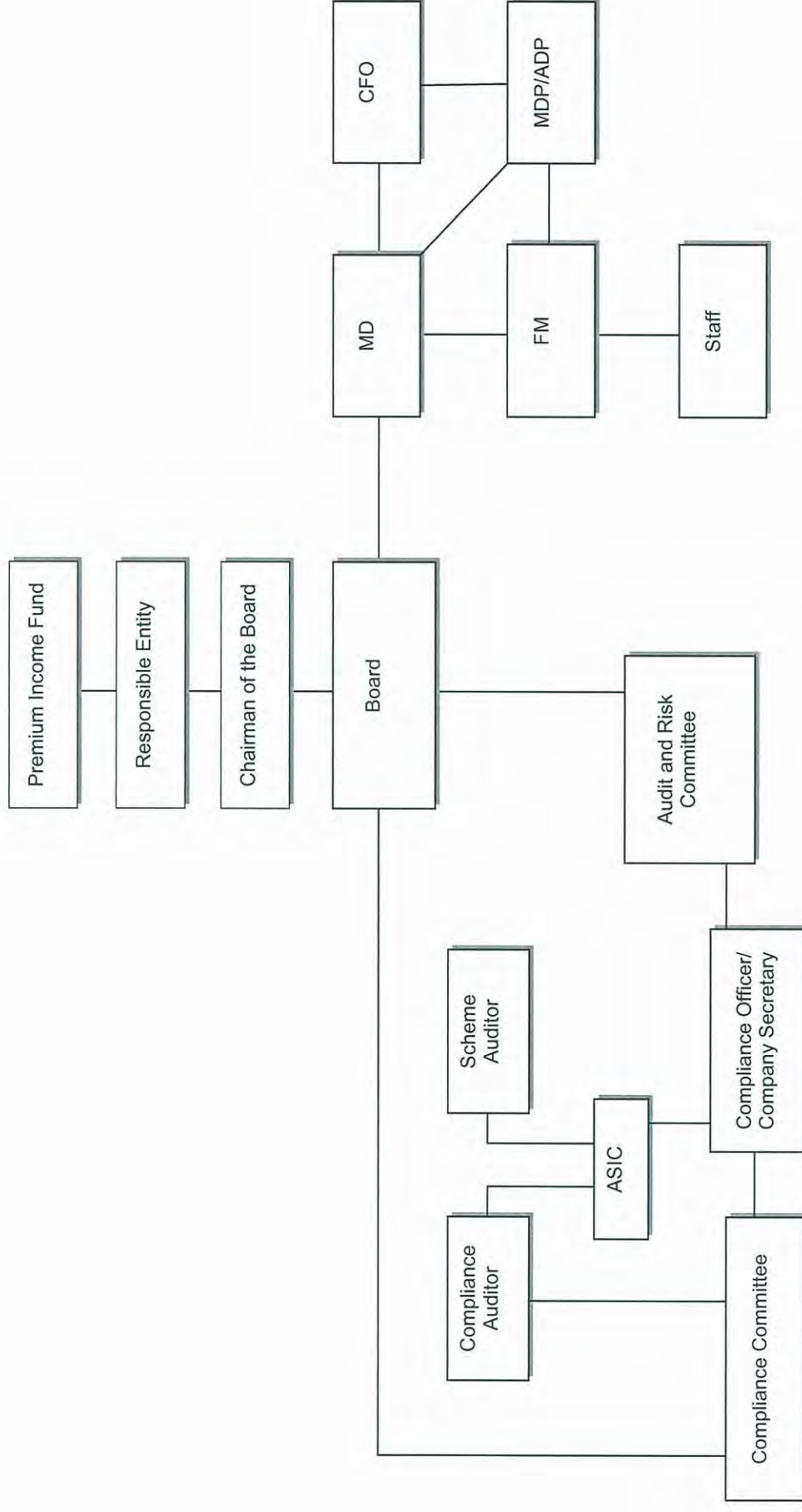
applies, known for the time being as the Premium Income Fund ARSN 090 687 577.

Staff

means persons employed by the RE or any of its related bodies corporate, whose services are directly provided to the RE in relation to its operations with respect to the Scheme and Staff Member has a corresponding meaning.

Unless otherwise specified, other terms used but not defined have the meanings given to those terms by the Corporations Act.

Organisational structure chart



Pro forma Committee meeting agenda

- (a) Apologies;
- (b) Minutes from previous meeting;
- (c) Action Items from previous meeting;
- (d) CO's Report including:
 - (i) Significant Events during the quarter
 - (ii) AFSL Conditions Checklist [Includes NTA and Cashflow solvency report]
 - (iii) Compliance Plan Registers [Includes Breach and Complaints Registers]
 - (iv) Compliance Plan Checklists by Responsible Officers
 - (v) Correspondence with ASIC
 - (vi) External Services Provider reports
 - (vii) Proposed amendments to the Compliance Plan, procedures or agreements
 - (viii) Proposed amendments to Corporations Act, industry or internal standards
 - (ix) Other Matters
- (e) Compliance Committee Obligations;
- (f) Meeting Dates;
- (g) General.

Pro forma compliance report by Responsible Officer

Name.....

Position

Compliance Plan Section Reference

Period.....

I confirm that the requirements of the above Compliance Plan section have been complied with throughout the period. In particular:

- (a) all procedures stated in the Compliance Plan section have been complied with;
- (b) all breaches of procedures have been reported to the CO;
- (c) all breaches of licence conditions have been reported to the CO;
- (d) I am not aware of any potential breaches of procedures that have not already been reported to the CO;
- (e) all changes to procedures have been reported to the CO and approved by the Committee;
- (f) I am not aware of any matter that may need to be disclosed to Investors or which may cause Investors to be disadvantaged; and
- (g) records exist to demonstrate compliance with the above.

Summary

[Signature]

[Date]

Evidence to support any breaches to the above statements should be attached to this report.

Signed by the Directors of Wellington Capital Limited

Signature of Director



JENNIFER JOAN HUTSON

Date

19/04 /2013

Signature of Director



SYDNEY ROBERT PITT

Date

19/04 /2013

Signature of Director



MARY-ANNE GREAVES

Date

19/04 /2013