

Code of Practice on Alternative Remuneration in the Wealth Management Industry

Adopted by the Financial Planning Association (FPA) and Investment & Financial Services Association Ltd (IFSA) on the 1st August 2004.

Barnett Lilley & Associates Pty Ltd has adopted the code, effective 1/1/2005, with the Compliance Officer appointed to ensure compliance and deal with requests for the public register.

What is meant by 'alternative remuneration'?

Alternative forms of remuneration occur under arrangements that provide certain material benefits, other than the payment of commission and service fees, to be obtained by a representative or licensee from a funds manager (or any other third party) in return for using that funds manager's product or platform.

The 'materiality test' will apply to alternative remunerations with items less than \$300 in value not considered material. Any form of remuneration that is over \$300 in value, per transaction or item, is considered 'material' therefore subject to the code and will be recorded in the public register.

The 'Alternative Form of Remuneration Register' outlines the alternative forms of remuneration which are paid and received from givers and receivers. Registers are maintained by Fund Managers, IDSP (platform) providers, Representatives and Licensees. Our registers are available for inspection on request and on our website.

Under the code no volume based arrangements are allowed such as bonuses, sponsorships or free participation in a conference where this is a reward for the volume of sales that has been made. If however an offer of sponsorship, conference participation or anything else that might be perceived as exerting an influence which is not linked to the volume of sales may be accepted but should be declared in the public register.

The register is to be updated at least quarterly, on an incidence basis, and BL&A has decided to record all remunerations considered not to be material (ie both under & over \$300) to demonstrate our full disclosure in this area.

Alternative Form of Remuneration Register – Barnett Lilley & Associates Pty Ltd

Date	Fund Manager	Amount	Type	Explanation
23.2.05 to 25.2.05	MLC Limited	Provided by MLC	O	Stephen Barnett & Scott Lilley attended the MLC Conference – Airfares & Accommodation paid by BL&A. Food and a surfing class provided by MLC during the conference.
16.4.2005	AXA - Summit	\$40 to \$50	O	Stephen Barnett & Scott Lilley were provided a game of golf at the Capital Golf course by Andy Laing (Summit BDN)
15.7.2005	Colonial First State	Approx \$60	O	Gift of one magnum of red wine to Stephen Barnett
15.7.2005	Colonial First State	Approx \$60	O	Gift of one magnum of red wine to Scott Lilley
10.8.2005	MLC	Approx \$30	O	Gift of one bottle of red wine
20.9.2005	MLC	Approx \$200	E	MLC Dinner in Sydney attended by Stephen Barnett & his wife.
28/9/2005	Colonial First State	Approx \$100	E	Annual CFS golf day at Gold Creek Golf Course
14.12.2005	Summit	Approx \$70	O	Xmas gift – 2 bottles of wine & tin of chocolates
19.12.2005	OMIP	Approx \$40	O	Xmas gift of 1 bottle of wine & a car rug
27.7.06	MLC	Approx \$600	E	MLC Dinner in Sydney attend by Stephen Barnett & Scott Lilley

11.10.2006	Colonial First State	Approx \$100	E	Annual CFS golf day at Gold Creek Golf Course
1.6.2007	MLC	Approx \$200	O	Hamper
5.8.2007	Colonial First State	Approx \$100	E	Tickets (2) to the Melbourne V Swans AFL match at Manuka (Bradman Function Room)
2.9.2007	AXA Summit	\$611.05	E	AFL Package (MCG) supplied to Stephen Barnett and staff of BL&A
25.10.2007	Colonial First State	Approx \$300	E	Annual CFS golf day at Gold Creek Golf Course – Scott Lilley & 2 staff members
6.12.2007	Colonial First State	\$120	E	Taken out to lunch – Stephen Barnett & Scott Lilley
15.12.2007	Colonial First State	\$60	O	Xmas Hamper – Stephen Barnett & Scott Lilley
20.12.2007	AXA	\$50	O	Xmas gift of wine & chocolates to BL&A
20.12.2007	MLC	\$200	O	Xmas Hamper
20.12.2007	OMIP	\$60	O	Xmas gift – Sim Card Backup Device
February 2008	Colonial First State	\$200	E	AFL NAB Cup lunch/tickets
20.11.2008	Colonial First State	Approx \$200	O	Annual CFS golf day at Gold Creek Golf Course –Two staff members
10.12.2008	AXA Summit	\$25	E	Breakfast with BDM Andy Lange
10.12.2008	AXA Summit	\$40	O	Xmas box of chocolates

12.11.2009	Colonial First State	Approx \$70	O	Annual CFS golf day at Federal Golf Course – Scott Lilley
12.11.2009	Colonial First State	Approx \$70	O	Annual CFS golf day at Federal Golf Course – Stephen Barnett
2-11-2010	IOOF	Approx \$100	O	Hampers (2)
16.2.2011	Colonial First State	Approx \$200	O	Xmas Hamper
16.2.2011	MLC	Approx \$40	O	Xmas gift – 2 bottles of wine
4.5.11	MLC	Approx \$200	O	Stephen Barnett & Scott Lilley attended Brumbies RU game as a guest of MLC
29.9.11	CFS & MLC		O	Both MLC & CFS provided a speaker for the BL&A client seminar held 29 September 2011

Type Code

E = Entertainment S= Sponsorship M= Marketing Support O= Other