1 CONTINUING PROFESSIONAL DEVELOPMENT POLICY

1.1 Scope and purpose

As an AFS licensee, Crestone must maintain and publish a Continuing Professional Development (CPD) policy that applies to Wealth Planners that are employed and authorised by Crestone to provide personal and general advice to retail clients. Importantly, this is a requirement which Crestone must satisfy under the Corporations (Relevant Providers Continuing Professional Development Standard) Determination 2018 (CPD Determination). Accordingly, this Policy reflects Crestone’s CPD framework and outlines the CPD requirements under the Corporations Amendment (Professional Standards of Financial Advisers) Act 2017 (Cth) and Corporations (Relevant Providers Continuing Professional Development Standard) Determination 2018, which its Wealth Planners must meet to satisfy the requirements for CPD as set by the Financial Adviser Standards and Ethics Authority Limited (FASEA).

This Policy:

- outlines Crestone’s overall approach to its CPD obligations as an AFS licensee;
- provides a summary of the requirements that must be satisfied by each Wealth Planners and
- outlines how Crestone will ensure that its Wealth Planners meet the requirements of the Policy.

1.2 CPD year and CPD obligations of Wealth Planners

Crestone’s CPD year is from 1 January to 31 December in each calendar year. Wealth Planners must complete 40 hours of qualifying CPD activities during a CPD year. Qualifying CPD activities must include a minimum in the following areas:

<table>
<thead>
<tr>
<th>CPD AREA</th>
<th>TECHNICAL COMPETENCE</th>
<th>CLIENT CARE AND PRACTICE</th>
<th>REGULATORY COMPLIANCE AND CONSUMER PROTECTION</th>
<th>PROFESSIONALISM AND ETHICS</th>
<th>GENERAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum hours</td>
<td>Five</td>
<td>Five</td>
<td>Five</td>
<td>Nine</td>
<td>No set minimum</td>
</tr>
</tbody>
</table>

In special circumstances, if a Wealth Planner is working parttime for the whole of the CPD year and has obtained prior written consent from Crestone, the requirement is 36 hours during a CPD year.

1.3 CPD areas

Under this Policy, an activity must relate to one of the following CPD areas to be deemed a 'qualifying CPD activity':

<table>
<thead>
<tr>
<th>CPD AREA</th>
<th>CONTENT OF CPD ACTIVITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technical competence</td>
<td>The activity is designed to enhance the Wealth Planner’s technical proficiency and ability to develop and provide advice strategies that are appropriate to the objectives, financial situations and needs of different classes of retail clients.</td>
</tr>
<tr>
<td>Client care and practice</td>
<td>The activity is designed to enhance the Wealth Planner’s ability to act as a client-centric practitioner in advising retail clients.</td>
</tr>
<tr>
<td>Regulatory compliance and consumer protection</td>
<td>The activity is designed to enhance the Wealth Planner’s understanding of applicable legal obligations and how to comply with them.</td>
</tr>
<tr>
<td>Professionalism and ethics</td>
<td>The activity is designed to enhance the Wealth Planner’s capacity to act as an ethical professional.</td>
</tr>
<tr>
<td>General</td>
<td>The activity is designed to maintain and extend the Wealth Planner’s professional capabilities, knowledge and skills, including keeping up to date with regulatory, technical and other relevant developments.</td>
</tr>
</tbody>
</table>

1.4 Assessment and approval of qualifying CPD activities

CPD activities undertaken by Wealth Planners must be assessed and approved by Crestone to be considered qualifying CPD activities.
Assessment of qualifying CPD activities

An activity is assessed as a qualifying CPD activity if the following requirements are satisfied:

- The activity relates to one of the CPD areas in section 1.3;
- the activity has sufficient intellectual or practical content;
- the activity primarily deals with matters related to the provision of financial product advice, financial advice services and financial advice business;
- the activity is designed to enhance the Wealth Planner's knowledge and skills, and/or contributes to the maintenance of knowledge and skills in areas relevant to the provision of financial product advice and financial advice services; and
- the activity is led or conducted by one or more persons with appropriate expertise, academic qualifications and practical experience.

Preference is given to activities with a structured assessment component, and where evidence of the successful completion of the assessment is provided.

Professional or technical reading is a qualifying CPD activity if it satisfies the first four requirements noted above.

Approval of qualifying CPD activities

Crestone approves four types of qualifying CPD activities and will ensure the Wealth Planners have access to sufficient approved CPD to meet their obligations.

The default approval process for the category of CPD activities is referred to below:

<table>
<thead>
<tr>
<th>CPD ACTIVITY</th>
<th>APPROVAL PROCESS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Activities with a formal FASEA assessment</td>
<td>Automatic approval for FASEA assessed professional higher education subjects provided by education providers. Approval subject to a maximum of 30 hours for formal education (includes degree and degree equivalent study).</td>
</tr>
<tr>
<td>Activities with a formal assessment where the CPD awarding entity is external to Crestone</td>
<td>Crestone's approval process will be reliant on a risk-based assessment of the CPD awarding entity. Activities provided by Crestone's approved awarding entities, including, education providers, professional associations and industry participants will be automatically approved. Activities provided by non-approved CPD awarding entities will be subject to a formal Crestone assessment as detailed below. Approval in this category is subject to a maximum of 30 hours for formal education.</td>
</tr>
<tr>
<td>Activities with a formal assessment by Crestone</td>
<td>Crestone will formally assess activities where no CPD assessment has been made or the activity was assessed by non-approved CPD awarding entity. Crestone will assess the activity having regard to section 1.3 of this Policy and the evidence requirements detailed below.</td>
</tr>
<tr>
<td>Professional or technical reading</td>
<td>Self-certification by Wealth Planner. Approved to a maximum of four hours.</td>
</tr>
</tbody>
</table>

Evidence requirements for Crestone formally assessed CPD activities

For consideration for assessment as a 'qualifying CPD activity', the following evidence is required:

- Evidence of attendance/completion;
- the name of the activity, provider and presenter;
- the date the activity was undertaken and the duration in minutes of the activity; and
- an overview of the CPD activity and the CPD area to which it relates.

Crestone may require evidence to demonstrate the facilitators and/or those delivering the CPD have sufficient experience as part of the assessment process. For assessment-based activities, CPD hours will be assessed and allocated on the estimated time taken to complete all content components.

1.5 Career breaks and extenuating circumstances

If a Wealth Planner has not been practicing or authorised as a Wealth Planner for a continuous period of two years or more, Crestone may require the Wealth Planner to complete additional CPD hours in the first year of resuming practice to ensure Crestone is satisfied that it has addressed the gaps in the Wealth Planner's competence, knowledge and skills arising from the Wealth Planner's absence from practice.
Where a Wealth Planner is affected by illness, medical conditions, disability or parental leave resulting in an extended absence from providing financial advice, Crestone may, on a case by case basis, approve a pro-rata requirement in relation to the total minimum requirement of 40 hours of CPD that the impacted Wealth Planner must meet for the relevant CPD year.

1.6 Provisional Wealth Planners

Crestone has determined that Provisional Wealth Planners who are completing their professional year will be required to meet the CPD requirements thresholds as applicable to Wealth Planners. Under the Corporations Act, a ‘Provisional relevant provider’ or ‘Provisional Planner’ is a person who is undertaking at least one year of work and training that meets the requirements set by FASEA.

1.7 Existing relevant providers new to Crestone

Wealth Planners who are new to Crestone and are currently registered on the ASIC Financial Advisers Register (FAR) or who were registered on the FAR during 1 January 2016 to 1 January 2019, will be deemed an ‘existing provider’ under the Corporations Act and will be required to meet the CPD requirements set out in this Policy. Records of qualifying CPD activity undertaken prior to employment at Crestone must be provided by the Wealth Planner, and an assessment will be undertaken by Crestone to ensure his or her CPD compliance is in accordance with this Policy. The Wealth Planner’s first CPD plan may require additional CPD hours to be completed to ensure Crestone is satisfied that it has addressed the gaps in the Wealth Planner’s competence, knowledge and skills arising from the change of licensee.

1.8 CPD plans

Crestone requires a Wealth Planner to maintain a ‘CPD Plan’ which contains:

- the minimum requirements for CPD hours and CPD areas referred to in section 1.3 of this Policy, and
- a maximum 30 hours of formal education and a maximum four hours of professional or technical reading.

When required to address gaps in, or aid development of, a Wealth Planner’s competence, knowledge and skills, line managers will develop and approve annual CPD Plans that are specifically tailored to a Wealth Planner’s needs.

1.9 Record keeping

Crestone will utilise the platform of an external education provider (External Platform) to record the completion of CPD activities. CPD plans will specify each Wealth Planner’s individual CPD obligations, minimum requirements in each CPD area, and any other specific requirements that must be met under this Policy. The External Platform will provide reporting and monitoring in relation to a Wealth Planner’s CPD compliance and completion of his or her CPD obligations (including their CPD plan) under this Policy.

It is the Wealth Planner’s responsibility to maintain complete and accurate records on the External Platform. For CPD activities undertaken and completed outside the External Platform, each Wealth Planner is required to upload details into the External Platform and submit evidence for assessment and approval by Crestone in accordance with this Policy.

1.10 Monitoring and review

Monitoring of the implementation and completion of CPD requirements by each Wealth Planner will be undertaken using the reporting functionality of the External Platform periodically and at least twice annually. Based on the information provided by the External Platform, Crestone will compel any Wealth Planner that has not met their requirements to satisfy their obligations under the Policy.

To ensure that the overall approach adopted by Crestone in relation to its CPD obligations under this Policy remain compliant with the CPD Determination, Crestone will undertake an internal review of the Policy and associated records on an annual basis and, where considered necessary, amend its approach to ensure ongoing compliance with the CPD Determination.

1.11 Non-compliance

A Wealth Planner must comply with the CPD obligations specified in this Policy.

Failure to meet the specified requirements may result in a Wealth Planner being subject to professional disciplinary action. Additionally, failure to meet the requirements of this Policy may result in Crestone notifying the Australian Securities and Investments Commission (ASIC) of any non-compliance by a Wealth Planner with the CPD standard (pursuant to s222HB of the Corporations Act). Such notification may result in statutory penalties being applied against the Wealth Planner or result in a review of the Wealth Planner’s compliance with regulatory standards by ASIC.
CONTACT US

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