

# Compliance Plan

---

4XHub Ltd

Company: 4XHub Ltd  
Registration No: LL16731  
License No: MB/20/0055  
Date Updated: November 2022

## TABLE OF CONTENTS

---

<b>SECTION A – INTRODUCTION .....</b>	<b>5</b>
1. INTRODUCTION .....	5
2. DEFINITIONS.....	5
<b>SECTION B – STRUCTURAL ELEMENTS .....</b>	<b>6</b>
3. COMMITMENT .....	6
4. COMPLIANCE POLICY .....	6
5. SCOPE.....	6
6. GOOD GOVERNANCE .....	7
7. MANAGEMENT RESPONSIBILITY .....	7
8. REPRESENTATIVE RESPONSIBILITY.....	7
9. LEADERSHIP AND COMMITMENT .....	7
10. COMPLIANCE CULTURE .....	8
11. COMPLIANCE REPORTING .....	9
12. RESOURCES.....	10
13. CONTINUOUS IMPROVEMENT .....	10
<b>SECTION C – OPERATIONAL ELEMENTS .....</b>	<b>10</b>
14. COMPLIANCE OFFICER / COMPLIANCE FUNCTION .....	10
15. OPERATING PROCEDURES FOR COMPLIANCE .....	10
16. 4XHUB POLICIES AND PROCEDURES .....	10
17. IMPLEMENTATION .....	11
18. ESTABLISHING CONTROLS AND PROCEDURES.....	11
<b>SECTION D – COMPLIANCE ISSUES.....</b>	<b>12</b>
19. LEGISLATION AND REGULATION .....	12
20. COMPLAINTS HANDLING .....	12
21. BREACHES AND INCIDENTS.....	13
<b>SECTION E – MAINTENANCE ELEMENTS .....</b>	<b>13</b>
22. EDUCATION AND TRAINING .....	13
23. MONITORING AND ASSESSMENT .....	13

24. ROLES AND RESPONSIBILITIES OF EMPLOYEES AND MANAGEMENT ..... 13

25. AREAS OF POTENTIAL FAILURE..... 14

26. RECORD KEEPING ..... 15

**VERSION CONTROL**

<b>Version Number</b>	<b>Date Updated</b>	<b>Notes</b>
1	August 2021	Original document prepared and finalised in consultation with Sophie Grace Pty Ltd.
2	November 2021	Modified for 4XHUB Ltd. (Labuan)
3	November 2022	Revised by Marcus Tan & Co. for Labuan

## SECTION A – INTRODUCTION

---

### 1. INTRODUCTION

- 1.1 4XHub Ltd (“**4XHub**”) is committed to complying with all laws, codes of practice and regulations that apply to its business. 4XHub recognises its responsibility to ensure its employees and the employees of its Authorised Representatives, as well as individual Authorised Representatives are adequately trained and undertake their compliance obligations in a responsible and diligent manner.
- 1.2 4XHub ensures it has adequate resources to implement this Compliance Plan and to ensure the smooth running of its business.
- 1.3 4XHub is committed to a process of continuous improvement of its compliance procedures.
- 1.4 This Compliance Plan outlines the management disciplines to be used by 4XHub to meet its compliance obligations and is designed to minimise the risk of a compliance breach.

### 2. DEFINITIONS

- 2.1 **4XHub** means 4XHub Ltd.
- 2.2 **LFSA** means Labuan Financial Services Authority.

#### 2.3 Breaches:

Incidents may be considered Breaches if:

- applicable laws, regulations or contractual agreements are broken; or
- for holders of an LFSA license the Incident relates to any actual or likely incidence of non-compliance with LFSA conditions or financial services laws.

#### 2.4 **Incident means** isolated events which occur in the following circumstances including but not limited to:

- non-compliance with applicable laws and regulations;
- non-compliance with internal limits, policies and guidelines;
- non-compliance with contractual arrangements;
- operational incidents which represent failures in people management, operating processes and technology systems;
- a breakdown in a control, process or procedure that may or may not result in an actual Breach or have a significant or materially adverse impact on investors;
- events which have impaired integrity or lead to material damage of reputation, legal or regulatory sanctions, or financial loss, as a result of a failure, or perceived failure, to comply with all applicable laws, regulations and standards;

- an event resulting from a risk, which has direct or indirect monetary, regulatory or other economic impact due to inadequate or failed internal processes (e.g. compliance measures or controls), methodologies, people, system, or external events;
- an activity that may be deemed unethical or likely to have an adverse affect on reputation, such as a deviation from generally accepted standards of best practice;
- an activity that may not technically contravene a law, rule or requirement but may be deemed as not in the “spirit” of the law, rule or requirements;
- a mistake or error that may or could have caused loss to the client; and
- an act that may be seen as a possible breach of an LFSA license holder’s duty to provide its financial services efficiently, honestly and fairly.

2.5 **Interested Party** means a person or organisation that can affect or be affected by or perceive themselves to be affected by a decision or activity of 4XHub.

## **SECTION B – STRUCTURAL ELEMENTS**

---

### **3. COMMITMENT**

3.1 4Xhub is committed to developing a culture of compliance and complying with all laws, codes of practice and regulations which apply to its business. It ensures all employees are aware of and undertake their compliance obligations in a diligent and thorough manner.

### **4. COMPLIANCE POLICY**

4.1 4Xhub does comply with all applicable laws and regulations by:

- (a) continuously monitoring its compliance obligations;
- (b) providing relevant and timely training to all employees; and
- (c) having sufficient employees to undertake its compliance functions.

### **5. SCOPE**

5.1 4Xhub does determine external and internal issues, such as those related to compliance risks, that are relevant to 4Xhub’s purpose and affect 4Xhub’s ability to achieve the intended outcome(s) of its compliance management system. 4Xhub does consider a broad range of external and internal aspects, such as:

- (a) regulatory, social and cultural contexts;
- (b) the economic situation; and
- (c) 4Xhub’s internal policies, procedures, processes and resources.

5.2 4Xhub does determine the Interested Parties that are relevant to its compliance management system, and the requirements of those Interested Parties.

## **6. GOOD GOVERNANCE**

6.1 4Xhub does establish, develop, implement, evaluate, maintain and continually approve its compliance management systems, while taking into consideration the following governance principles:

- (a) direct access of the compliance function to 4Xhub's Director;
- (b) independence of 4Xhub Compliance Officer role; and
- (c) the Compliance Officer is given appropriate authority and resources.

## **7. MANAGEMENT RESPONSIBILITY**

7.1 Compliance is the responsibility of all officers, directors, employees, agents and contractors of 4Xhub.

7.2 4Xhub's Director has overall responsibility for compliance.

7.3 4Xhub's Compliance Officer is Elsa. The Compliance Officer has day-to-day supervisory responsibility for all aspects of compliance and acts in an advisory, monitoring and control capacity.

## **8. REPRESENTATIVE RESPONSIBILITY**

8.1 All representatives of 4Xhub:

- (a) adhere to the compliance obligations of 4Xhub that are relevant to the representative's position and duties;
- (b) participate in training in accordance with 4Xhub's Training Policy;
- (c) use available compliance resources as part of 4Xhub's compliance management system as directed by the Board of Directors; and
- (d) report compliance concerns, issues and failures to 4Xhub's Compliance Officer and Board of Directors.

8.2 In addition, all representatives of 4Xhub complete a declaration stating they have read and understood 4Xhub's suite of compliance policies. This declaration is completed upon employment and on an annual basis.

## **9. LEADERSHIP AND COMMITMENT**

9.1 The Board of Directors, Compliance Officer and representatives of 4Xhub ensure 4Xhub maintains effective compliance processes and procedures.

9.2 4Xhub's Director and other senior staff ensure 4Xhub is committed to compliance by ensuring:

- (a) The Board of Directors and senior management actively demonstrate a commitment to establishing, developing, implementing, evaluating, maintaining and improving 4Xhub's compliance management system;

- (b) formal approval of 4Xhub's compliance procedures;
- (c) the Board of Directors and senior management convey a clear message to all representatives that 4Xhub is required to meet compliance obligations;
- (d) 4Xhub's commitment to compliance is communicated through convincing statements to representatives which are supported by action;
- (e) 4Xhub's Compliance Officer is given an appropriate level of authority which reflects the importance of effective compliance;
- (f) 4Xhub's resources are allocated to establishing, developing, implementing, evaluating, maintaining and improving a robust compliance culture for 4Xhub through risk awareness activities and training;
- (g) compliance policies, procedures and processes of 4Xhub reflect the businesses core values, objectives and strategic direction, as well as legal and regulatory requirements;
- (h) 4Xhub assigns and requires accountability for compliance to management across all levels of the business;
- (i) annual reviews of 4Xhub's compliance procedures are conducted;
- (j) 4Xhub's compliance performance is continually approved; and
- (k) corrective action is taken by 4Xhub when breaches occur.

## **10. COMPLIANCE CULTURE**

10.1 4Xhub ensures that it has a robust compliance culture. To ensure 4Xhub maintains an effective compliance culture the Board of Directors ensures 4Xhub has active, visible, consistent and sustained commitment to compliance by:

- (a) maintaining a clear set of published values;
- (b) ensuring the Board of Directors and all management staff actively implement and abide by 4Xhub's compliance procedures;
- (c) ensuring consistency in the treatment of similar actions, regardless of the representatives' position;
- (d) ensuring the Board of Directors and management staff mentor, coach and lead by example;
- (e) ensuring the appropriate pre-employment assessment is undertaken for all 4Xhub's potential employees;
- (f) implementing an induction or orientation program that emphasises 4Xhub's compliance and core values;
- (g) ensuring all representatives participate in compliance training;
- (h) communicating updates in compliance obligations to all representatives;



- (i) implementing a performance appraisal system that considers 4Xhub's representatives' compliance behaviour;
- (j) visibly recognising 4Xhub's achievements in compliance management and outcomes;
- (k) ensuring 4Xhub's Director deals with instances of non-compliance in a prompt and proportionate manner;
- (l) establishing a clear link between 4Xhub's compliance strategy and the representatives' role; and
- (m) ensuring 4Xhub has open and appropriate communication channels for compliance.

10.2 4Xhub does evidence its compliance culture by:

- (a) implementing the items at Section 8.1;
- (b) ensuring 4Xhub's management and shareholders are provided with evidence that the items in Section 8.1 have been implemented through compliance reporting;
- (c) ensuring representatives of 4Xhub understand the relevance of compliance obligations related to their role;
- (d) ensuring rectification of breaches is recognised and actioned at all appropriate levels of 4Xhub;
- (e) the role of 4Xhub's compliance function and objectives are values of the business; and
- (f) 4Xhub's representatives are enabled and encouraged to raise compliance concerns to the Compliance Officer.

## **11. COMPLIANCE REPORTING**

11.1 A Quarterly Compliance Declaration is completed by the Board of Directors at the end of every quarter. The Quarterly Compliance Declaration outlines:

- (a) summary and status of new compliance projects;
- (b) non-routine communications with regulators;
- (c) identification and assessment of compliance obligations;
- (d) incidents and breaches;
- (e) complaints, conflicts and alternative remuneration;
- (f) training;
- (g) compliance calendar activities undertaken;
- (h) internal compliance audits conducted;
- (i) remedial action required; and

(j) any compliance deficiencies identified.

## **12. RESOURCES**

12.1 4Xhub provides sufficient resources to undertake its compliance responsibilities in accordance with this Compliance Plan.

## **13. CONTINUOUS IMPROVEMENT**

13.1 4Xhub is committed to a system of continuous improvement of its compliance function.

13.2 The Compliance Officer does keep abreast of best practices locally. The Compliance Officer fosters a compliance culture throughout the organisation by providing regular training to all employees, as well as the provision of policies and other materials.

## **SECTION C – OPERATIONAL ELEMENTS**

---

### **14. COMPLIANCE OFFICER / COMPLIANCE FUNCTION**

14.1 4Xhub has appointed a Compliance Officer to monitor its compliance requirements. The Compliance Officer is a suitably qualified and experienced person. The Compliance Officer reports to the Board of Directors, who is ultimately responsible for ensuring that 4Xhub meets all its compliance obligations.

14.2 The Compliance Officer has unfettered access to all of the documents and records of 4Xhub, and the auditor of 4Xhub. The Compliance Officer monitors the timely submission of all returns to regulatory authorities.

14.3 The Compliance Officer does maintain up-to-date knowledge of the requirements of the law relating to maintaining an LFSA and other areas relating to 4Xhub's operations.

14.4 The Compliance Officer does maintain accurate, up-to-date records of 4Xhub's compliance activities to assist in the monitoring and review process. All compliance records are retained for a minimum period of seven (7) years from the date the compliance function was performed, in accordance with 4Xhub's Document Retention Policy.

### **15. OPERATING PROCEDURES FOR COMPLIANCE**

15.1 All employees are provided with up-to-date procedures and policies to assist in understanding their compliance obligations and undertaking their compliance functions. Any changes to relevant laws and regulations affecting employees in their operational duties are provided to employees through changes to any relevant policies and procedure.

15.2 The Compliance Officer is responsible for the development and communication of compliance procedures and for training of employees.

15.3 The Compliance Officer monitors compliance through a programmed review of all compliance functions on at least an annual basis.

### **16. 4XHUB POLICIES AND PROCEDURES**

16.1 4Xhub's Policies and Procedures are in place, and made available to all employees, these include the following policy documents:

- (a) Anti-Money Laundering/Counter Terrorism Financing Policy;
- (b) Breaches and Incidents Reporting Policy;
- (c) this Compliance Plan and Calendar of Obligations;
- (d) Conflict of interest Policy;
- (e) Document Retention Policy;
- (f) Financial Checklist;
- (g) Personal Dealing and Insider Trading Policy;
- (h) Internal Dispute Resolution Policy;
- (i) Marketing Checklist;
- (j) Outsourcing Policy;
- (k) Privacy Policy;
- (l) Representatives Policy;
- (m) Responsible Manager Policy;
- (n) Risk Management Policy and Matrix; and
- (o) Training Policy.

16.2 The policies and procedures are reviewed on an annual basis by an external consultant after consultation with the Board of Directors. Any proposed amendments are reviewed and approved by the Board of Directors prior to the amendments being introduced.

16.3 The updated versions of policies and procedures will be stored in the Compliance folder.

## **17. IMPLEMENTATION**

17.1 4Xhub's Policies and Procedures have been implemented to support employees to fulfil their day-to-day operations and generate business in a compliant manner.

## **18. ESTABLISHING CONTROLS AND PROCEDURES**

18.1 4Xhub implements controls to manage compliance obligations and associated compliance risks.

18.2 4Xhub has created the following controls:

- (a) implementing clear, practical and easy to follow documented, operating policies, procedures, processes and work instructions;

- (b) systems and exception IT reports;
- (c) approval processes;
- (d) segregation of incompatible roles and responsibilities;
- (e) annual compliance plans;
- (f) employee performance plans;
- (g) compliance assessments and audits;
- (h) demonstrating representative commitment and exemplary behaviour and other measures to promote compliant behaviour; and
- (i) active, open and frequent communication on expected behaviour of employees.

## **SECTION D – COMPLIANCE ISSUES**

---

### **19. LEGISLATION AND REGULATION**

- 19.1 The compliance measures relating to each legislative requirement are outlined in 4Xhub's Compliance Calendar.
- 19.2 4Xhub identifies new and changed laws, regulations, codes and other compliance obligations relating to the business to ensure ongoing compliance is maintained.
- 19.3 4Xhub's Compliance Officer evaluates the impact of identified changes and implement these changes in the management of compliance obligations.
- 19.4 To ensure 4Xhub is up to date with changing laws, regulations and codes, 4Xhub:
- (a) signs up to the mailing list of relevant regulators, including LFSA;
  - (b) signs up to the mailing list of professional groups;
  - (c) subscribes to relevant information services;
  - (d) attends industry forums and seminars;
  - (e) monitors the websites of regulators, including LFSA;
  - (f) meets with regulators (if applicable);
  - (g) engages external legal counsel and/or external compliance advisors; or
  - (h) monitors the sources of compliance obligations (e.g. regulatory pronouncements).

### **20. COMPLAINTS HANDLING**

- 20.1 4Xhub has internal procedures in place to deal with client complaints, through the Internal Dispute Resolution Policy.

## **21. BREACHES AND INCIDENTS**

- 21.1 4Xhub's Breaches and Incidents Reporting Policy outlines the breaches and incidents handling processes. All breaches and incidents are recorded in a Breaches and Incidents Register.
- 21.2 Any compliance failures and breaches are reported to 4Xhub's Compliance Officer. Where necessary, a report will be submitted to LFSA or other relevant authorities in accordance with the relevant laws and regulations. All compliance failures are rectified as soon and as effectively as possible.
- 21.3 All compliance failures are classified and investigated to determine their cause and enable rectification.

## **SECTION E – MAINTENANCE ELEMENTS**

---

### **22. EDUCATION AND TRAINING**

- 22.1 4Xhub's Training Policy outlines the processes, which ensure that the competence and training standards of all of 4Xhub's officers, directors, employees, agents and contractors are met and maintained.
- 22.2 4Xhub ensures that all Responsible Manager(s) maintain education and training standards.
- 22.3 All employees and Authorised Representatives maintain a training register, recording training on policies, procedures and relevant legislation and regulations.

### **23. MONITORING AND ASSESSMENT**

#### **23.1 Compliance Plan**

- (a) The compliance program is monitored and assessed on an annual basis and any changes are recommended to the Board of Directors. Any approved changes to the compliance program are communicated to all officers, directors, employees, agents and contractors of 4Xhub affected immediately upon adoption.
- (b) All elements are monitored on a continuous basis as outlined in the Compliance Calendar. The effectiveness of this Compliance Plan is assessed on an annual basis.
- (c) As far as possible, all jobs are designed to ensure adequate internal controls exist and there is a separation of duties for receipt of and payment of monies and acquisition of assets.

#### **23.2 Liaison**

- (a) Both directly and via its external compliance consultant, lawyers and other advisors, 4Xhub maintains good relations with all relevant regulators and industry bodies so that it is aware of changes to the law and regulations. Additionally, 4Xhub does rely on its appointed external compliance consultant for updates to the regulations which affects its business.

## **24. ROLES AND RESPONSIBILITIES OF EMPLOYEES AND MANAGEMENT**

24.1 All employees have a responsibility to ensure compliance with 4Xhub's AFSL conditions, the various legislation and regulations under which 4Xhub operates and good corporate governance principles are applied. Management:

- (a) ensures all reports are received in a timely manner and reflect the true position;
- (b) ensures all the requirements of the LFSA conditions are being observed;
- (c) ensures all employees are carrying out their activities in an honest, fair and efficient manner; and
- (d) observes good corporate governance principles at all times.

24.2 The Compliance Officer:

- (a) ensures the compliance measures outlined in this Compliance Plan are monitored in a systematic and efficient manner;
- (b) ensures all breaches and incidents are recorded and corrective action taken without delay;
- (c) reports to the Board of Directors at least quarterly on the compliance activities undertaken and any breaches, incidents and conflicts detected; and
- (d) monitors the level of complaints received and ensure the complaint is resolved in a satisfactory manner.

24.3 Employees are to:

- (a) observe the requirements set out in the policies and procedures;
- (b) report any breaches or shortcomings identified in this Compliance Plan;
- (c) observe the Code of Ethics and Code of Conduct of their relevant professional body; and
- (d) deal with clients in an honest, fair and ethical manner.

## **25. AREAS OF POTENTIAL FAILURE**

25.1 The areas of most potential failure relate to people within 4Xhub. People based failures could include (but is not limited to):

- (a) failure to observe policies and procedures;
- (b) fraud;
- (c) not dealing with clients honestly, fairly and efficiently; and
- (d) acting outside of authorisations.

25.2 This Compliance Plan identifies the measures to ensure the potential for failure is minimised by the:

- (a) Compliance Officer systematically reviewing dealings by all employees to ensure policies and procedures are being observed; and
- (b) appropriate separation of duties.

25.3 Other areas of potential failure such as a breach of 4Xhub's LFSA license and/or approvals conditions have been identified within this Compliance Plan and are systematically reviewed as part of the compliance program.

## **26. RECORD KEEPING**

26.1 4XHub ensures that it maintains accurate, up to date records of all compliance activities in accordance with 4XHub's Document Retention Policy.

26.2 4XHub's record keeping procedures include recording and classifying complaints, disputes and breaches as well as the steps taken to resolve them.

26.3 4XHub maintains records in a manner that ensure records remain legible, readily identifiable and easily retrievable.

26.4 4XHub protects records against any addition, deletion, modification, unauthorised use or concealment.

Issued by 4XHub Ltd

November 2022