

Conflicts of Interest Policy

4XHub Ltd

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

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VERSION CONTROL

Version Number	Date Updated	Notes
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. BACKGROUND

- 1.1 This Conflicts of Interest Policy (“**Policy**”) document outlines 4XHub Ltd’s (“**4XHub**”) policies and procedures for managing conflicts of interest of 4XHub and its Representatives.
- 1.2 A '**Conflict of Interest**' is a circumstance where some or all of 4XHub or its Representatives' interests are inconsistent with or divergent from some or all of a client's interests. This includes actual, potential or perceived conflicts of interest. The conflicts of interest to which this document relates are those that arise wholly, or partially, in relation to activities undertaken by 4XHub or its Representatives in the provision of Financial Services as part of 4XHub's business. Examples of these conflicts of interest situations are provided in 4XHub's Conflicts Register.
- 1.3 This Policy has been implemented because 4XHub:
- (a) has an obligation under the law to have in place adequate arrangements for the management of conflicts of interest that arise wholly, or partially, in relation to activities undertaken by 4XHub or a Representative in the provision of Financial Services as part of 4XHub's business. Where this is not done or conflicts of interest are not managed appropriately, 4XHub's Labuan Financial Services Authority (“**LFSA**”) Licence may be suspended or cancelled and 4XHub and/or its Representatives may be liable for compensation, fines and/or imprisonment in extreme cases; and
 - (b) is aiming to build a strong reputation based on independent and quality advice. A key component of this success has been 4XHub maintaining its independence and avoiding conflicts of interest in providing its services, or if it does have a conflict, managing the conflict in an appropriate manner so as not to reduce the quality or independence of 4XHub's services. The success, to date, of 4XHub proves this also makes good business sense.
- 1.4 This Policy applies to 4XHub and all of its Representatives.
- 1.5 Refer to the Definitions (Section 3) for more information about some of the terms used in this document.

2. OBJECTIVES OF POLICY

- 2.1 The main objectives of this Policy are to:
- (a) (**Identify**): have procedures to identify all conflicts of interest that arise in relation to 4XHub's business of providing Financial Services;
 - (b) (**Evaluate**): have policies and procedures to enable evaluation of conflicts of interest;
 - (c) (**Monitor and Manage**): have processes and procedures in place to monitor, manage and deal with conflicts of interest; and
 - (d) (**Disclose**): make adequate disclosure of conflicts of interest to clients (or other persons who receive 4XHub Financial Services) to ensure that those people are sufficiently

informed to be able to assess whether a conflict may affect the independence or quality of the Financial Service provided to them.

3. DEFINITIONS

- 3.1 **4XHub** means 4XHub Ltd and any related bodies corporate that might exist from time to time.
- 3.2 **Conflicted Remuneration** means any benefit, whether monetary or non-monetary, given to a financial services licensee, or a Representative of a financial services licensee, who provides Financial Product Advice to persons as retail clients that, because of the nature of the benefit or the circumstances in which it is given:
- (a) could reasonably be expected to influence the choice of financial product recommended by the licensee or Representative to retail clients; or
 - (b) could reasonably be expected to influence the Financial Product Advice given to retail clients by the licensee or Representative.
- 3.3 **Dealing** includes applying for, acquiring or disposing of the relevant products or entering into an agreement to do so.
- 3.4 **Employment** includes as an employee, contractor or officer of any 4XHub related entity.
- 3.5 **Financial Product Advice** means a recommendation or a statement of opinion or a report of either of these things that is intended to influence a person(s) in making a decision in relation to a particular financial product (or an interest therein) or class of Financial Products or could reasonably be regarded as being intended to have such an influence.
- 3.6 **Financial Products** for the purposes of this Policy, means shares, options, derivatives, debentures, units in managed investment schemes and other securities and any other financial product able to be traded.
- 3.7 **Financial Service** includes to provide Financial Product Advice or Dealing in a financial product.
- 3.8 **New Work** means the provision of a Financial Service to a new client or the provision of a written report or recommendation in respect of a financial product or fund manager. New Work is taken to have commenced, if the service is first formulated for the relevant client.
- 3.9 **Trading** includes applying for, buying, acquiring, selling, or otherwise disposing of, listed Financial Products either on-market or off-market. Trading can be direct or indirect. Indirect trading includes trading through your spouse, partner, dependent child, controlled entity, trust of which you are a beneficiary, or a person, company or trust over whom or which you have influence.
- 3.10 **Representative** means:
- (a) an authorised representative of 4XHub;
 - (b) an employee or director of 4XHub;
 - (c) an employee or director of a related body corporate of 4XHub; and/or

- (d) any other person acting on behalf of the licensee.

SECTION B – POLICIES AND PROCEDURES

4. POLICIES

4.1 Under the Policy, **all** Representatives are required to:

- (a) comply with the **Conflict Rules** set out in Appendix 1;
- (b) comply with 4XHub's **Personal Dealing Policy**;
- (c) comply with 4XHub's **Insider Trading Policy**;
- (d) update the Conflicts of Interest Register and Conflicts Identification Register; and
- (e) prior to 4XHub providing any Financial Service it must be established that no Strong Conflict exists.

5. CONFLICT MANAGER

5.1 4XHub has appointed its Compliance Officer as the Conflict Manager. The Conflict Manager oversees conflicts of interest issues that arise with 4XHub from time to time. The services of an external consultant will also be engaged to ensure adequate management of all conflicts of interest.

5.2 Conflict Manager's Responsibilities

The Conflict Manager must:

- (a) on a quarterly basis review the Conflicts of Interest Register to ensure that it is maintained and is otherwise up-to-date;
- (b) where a conflict of interest exists, monitor that conflict on at least a monthly basis to ensure that no adverse consequence has occurred or is likely to result from that conflict of interest;
- (c) prior to the situations referred to in paragraph 4.1(e) above, the Conflict Manager must:
 - (i) refer to the Conflicts of Interest Register maintained by 4XHub;
 - (ii) where a conflict is identified in the Conflicts of Interest Register:
 - (A) evaluate the conflict according to the Conflict Rules to determine whether the conflict of interest situation is manageable or unmanageable; and
 - (B) direct the relevant Representative(s) on how to deal with that conflict of interest situation (i.e. avoid it or prescribe conditions);
- (d) otherwise, ensure that this Policy is implemented and maintained at all times; and
- (e) report to the Board of Directors annually on whether this Policy is being complied with.

SECTION C – FUTURE OF FINANCIAL ADVICE REFORMS

6. PERFORMANCE BENEFITS FOR 4XHUB'S EMPLOYEES

- 6.1 4XHub does not pay its employees volume-based benefits but does reward employees on the basis of the following criteria:
- (a) compliance with the statutory and regulatory obligations;
 - (b) meeting 4XHub's compliance and corporate policies;
 - (c) quality of Financial Product Advice given by the employee;
 - (d) client satisfaction with the employee;
 - (e) measure of customer loyalty or advocacy;
 - (f) the number of new clients the employee has brought to the business;
 - (g) the value of investable assets of the employee's clients;
 - (h) the amount of time-based fees generated by the employee;
 - (i) the training undertaken by the employee; or
 - (j) the number of complaints received about the employee.
- 6.2 4XHub keeps records of how an employee's performance benefit has been calculated.

SECTION D – ENFORCEMENT

7. ENFORCEMENT AND REVIEW

- 7.1 Non-compliance with this Policy may result in disciplinary action being taken against the Representative involved and may also result in prosecution under the law where that act is illegal. This may include re-assessment of bonus qualification, prohibition from Trading, termination of Employment and/or fines and imprisonment.
- 7.2 4XHub's Director/Compliance Officer, in consultation with an external compliance consultant, are responsible for monitoring the implementation and ongoing compliance with this Policy. Refer to the Breaches and Incident Policy for further information.

8. WHISTLEBLOWERS

- 8.1 In extreme circumstances, a Representative may be concerned that a serious breach of this Policy has or will occur but is in a position where they believe that it would be personally damaging to pursue their concerns through normal channels.
- 8.2 In such circumstances, the individual, in the first instance, contacted the Board of Directors who will do all that is possible and practicable to deal with the matter in a way that protects the confidentiality of the person raising the concern.

8.3 In doing so, provided the Representative meets the criteria set out in Appendix 3, they are afforded anonymity, confidentiality and immunity, where permitted under the law.

9. AUDITS AND RECORDS

9.1 The policies and procedures outlined in this document must be audited as part of any 4XHub's compliance audit.

9.2 All records of these audits and any other records in relation to this Policy must be kept for seven (7) years, or as otherwise stipulated in 4XHub's Document Retention Policy.

10. POLICY REVIEW

10.1 This Policy is reviewed on at least an annual basis by the Compliance Officer having regard to the changing circumstances of 4XHub. The Compliance Officer then reports to the Board of Directors on compliance with this Policy.

Issued by 4XHub Ltd

November 2022

APPENDIX 1 – CONFLICT RULES

1. GENERAL OBLIGATION

- 1.1 Each Representative as an employee of 4XHub must act in an honest, fair and professional manner.

2. REMUNERATION

- 2.1 The remuneration of a Representative, except in their capacity as an officer or shareholder of 4XHub, must be primarily determined according to their salary, or wage (as the case may be) and/or their individual performance.
- 2.2 The remuneration of a Representative must not be determined in a material way by the earnings or performance of another individual within 4XHub.

3. FINANCIAL PRODUCT ADVICE

- 3.1 All Financial Product Advice provided by 4XHub or its Representatives must:
- (a) reflect the actual opinion of the adviser, or if not, the consensus of the relevant group;
 - (b) be based solely on the merits of the person or security being evaluated and not based on any other relationship that 4XHub or its Representatives may have with that person or security (as the case may be); and
 - (c) not be made in order to affect the trading price of a security.

4. IDENTIFYING CONFLICTS

Responsibility

- 4.1 It is the responsibility of each Representative to be alert to, aware of and identify any conflicts of interest (whether perceived, actual or potential) in relation to their Employment with 4XHub.

Pecuniary Interests

- 4.2 Employees and agents must disclose any 'pecuniary interest' of which they are aware that relates to the provision of a Financial Service by 4XHub as soon as practicable after the earlier of the employee or agent becoming aware of the Financial Service or the pecuniary interest.
- 4.3 A 'pecuniary interest' is an interest that an employee or agent has because of a reasonable likelihood or expectation of appreciable financial gain or loss to the employee or agent directly or indirectly because of the interests of certain persons or entities who are 'associated persons' of the employee or agent.
- 4.4 Associated persons include immediate family members (e.g. spouse, parent, children and siblings) and entities in which immediate family members have an interest (e.g. family companies, family trusts and self-managed superannuation funds).

Identified Conflicts

- 4.5 A Representative must immediately inform the Conflict Manager if they have or become aware of any conflicts of interest in relation to their Employment with 4XHub and ensure the Conflicts of Interest Register is updated to reflect this. This will be in the form of a Conflict Notification Document (refer to Appendix 2), which is sent to the Conflict Manager. This should be done even if the Representative believes that the conflict is not important or unlikely to have any adverse consequences. The notification must list the:
- (a) name of the proposed client;
 - (b) nature of the transaction;
 - (c) nature of 4XHub's participation;
 - (d) transaction sponsor;
 - (e) nature of conflict not addressed by the Conflicts of Interest Policy; and
 - (f) proposed conflicts of interest management strategy / augmentation of the Conflicts of Interest Policy.

4.6 **Examples of Actual, Potential or Perceived Conflicts of Interest**

- (a) 4XHub or a Representative provides:
 - (i) a recommendation that is inconsistent with the Trading by 4XHub or a Representative; or
 - (ii) a Financial Service in a manner that put 4XHub's or the Representative's interests ahead of the interest of the recipient of that service;
- (b) A Representative, or associate of a Representative, being on the board of or holding an investment in, a client; or
- (c) 4XHub allocating assets when providing investment management services to a number of clients as well as on balance sheet.

5. **CONFLICT RATINGS**

5.1 **Ratings**

Conflict ratings are to be determined by the Conflict Manger as follows:

- (a) **SC** (Strong Conflict) - there is a conflict of interest that in the reasonable opinion of the relevant Conflict Manager could (and is not unlikely to) result in:
 - (i) an Extreme Consequence; or
 - (ii) have a significant disadvantageous consequence for another person having regard to the objectives of this Policy; or
 - (iii) result in a material breach of this Policy;

- (b) **MC** (Manageable Conflict) - there is a conflict of interest that in the reasonable opinion of the relevant Conflict Manager:
- (i) is very unlikely to result in an Extreme Consequence;
 - (ii) could result in a Significant Consequence;
 - (iii) can be managed by putting in place arrangements to ensure that the conflict does not result in adverse consequences for a client and that the Financial Service they receive is not compromised; or
 - (iv) result in a minor or technical breach of this Policy; and
- (c) **NC** (No Conflict) - no conflicts of interest exists.

5.2 Consequences

- (a) Any outcome listed in the following table is an '**Extreme Consequence**'.

EXTREME CONSEQUENCES

- | | |
|--|--|
| <ul style="list-style-type: none"> • Breach of 4XHub's LFSA license conditions. • Contravention of any law (e.g.: the Corporations Act). • Dishonest or unethical behaviour. • Deceptive or misleading conduct. • 4XHub would not be able to provide the relevant Financial Service in an independent and objective manner. | <ul style="list-style-type: none"> • Breach of this Policy. • A conflict of interest that, if it were treated as a MC, would be difficult for 4XHub to manage for the purposes of preventing an Extreme Consequence, a Significant Consequence or another adverse consequence. |
|--|--|

- (b) Any outcome listed in the following table is a '**Significant Consequence**'.

SIGNIFICANT CONSEQUENCES

- | | |
|--|---|
| <ul style="list-style-type: none"> • Damage to 4XHub's reputation. • A reasonable person would perceive the conflict as preventing 4XHub from providing the relevant Financial Service in an independent and objective manner. | <ul style="list-style-type: none"> • 4XHub's Financial Service being of less benefit to an intended recipient of that service. |
|--|---|

6. ACTING ON CONFLICTS

6.1 Conflict Rating Action

If a conflict rating of:

- (a) **SC** (Strong Conflict) exists, then the Financial Service relating to that conflict must either:
- (i) not be provided; or

- (ii) be provided only after the relevant conflict has been removed and a Conflict Report (in relation to the service) has been signed by the respective Conflict Manager. A further Conflict Report must also be completed prior to the provision of the Financial Service;
- (b) **MC** (Manageable Conflict) exists, then a Conflict Report must be signed by the Conflict Manager before commencing the relevant work/New Work (as applicable) and again prior to the provision of that Financial Service. Completing the Conflict of Interest Form will require the Conflict Manager to determine what arrangements (if any) need to be put in place to mitigate the risk of adverse consequences resulting from that conflict; or
- (c) **NC** (No Conflict) exists for any Financial Service, then that service may be provided. However, all endeavours should still be made to ensure that any potential conflict of interest is identified and dealt with according to this Policy.

APPENDIX 2 – CONFLICT NOTIFICATION DOCUMENT

1. CONFLICT NOTIFICATION DOCUMENT
THE NAME OF THE CLIENT, RELATED COMPANIES AND THIRD-PARTY ENTITIES:
NATURE OF TRANSACTION, INCLUDING SPONSOR:
NATURE OF 4XHub’S PARTICIPATION:
NATURE OF CONFLICT NOT ADDRESSED BY 4XHub’S CONFLICTS OF INTEREST POLICY:
IMA / MANDATE LETTERS, CONFIDENTIALITY AGREEMENTS, EXCLUSIVITY AGREEMENTS:
2. CONFLICT PLAN
PROPOSED CONFLICTS OF INTEREST MANAGEMENT STRATEGY:
AUGMENTATION OF CONFLICTS OF INTEREST POLICY:

APPENDIX 3 – CRITERIA FOR PROTECTION AS A WHISTLEBLOWER

CRITERIA	REQUIREMENT
<p>1. Your role</p>	<p>You must be a current or former:</p> <ul style="list-style-type: none"> • employee of the company or organisation; • officer (usually that means a director or company secretary); • contractor, or an employee of a contractor, who has supplied goods or services to the company or organisation. This can be either paid or unpaid, and can include volunteers; • associate of the company or organisation, usually a person with whom the company or organisation acts in concert; • trustee, custodian or investment manager of a superannuation entity, or an officer, employee, or a goods or service provider to a trustee, custodian, investment manager; or • spouse, relative or dependent of one of the people referred to above.
<p>2. Who the disclosure is made about</p>	<p>Your disclosure must be about:</p> <ul style="list-style-type: none"> • a company; • a bank; • a provider of general insurance or life insurance; • a superannuation entity or a superannuation trustee; • an incorporated association or other body corporate that is a trading or financial corporation; or • Not for-profit organisation that trades in goods or services, lend or borrow money, or provide other financial services, and their trading or financial activities make up a sufficiently significant proportion of their overall activities. Please note not all not-for-profit organisations are subject to the whistleblower protections.
<p>3. Who the disclosure is made to</p>	<p>You must make your disclosure to:</p> <ul style="list-style-type: none"> • a director, company secretary, company officer, or senior manager of the company or organisation, or a related company or organisation;

	<ul style="list-style-type: none"> • an auditor, or a member of the audit team, of the company or organisation, or a related company or organisation; • an actuary of the company or organisation, or a related company or organisation; • a person authorised by the company or organisation to receive whistleblower disclosures; or • your lawyer.
<p>4. Providing your name</p>	<p>You may make your disclosure anonymously.</p>
<p>5. Reasonable grounds to suspect breach</p>	<p>You must have reasonable grounds to suspect that the information you are disclosing about the company or organisation concerns:</p> <ul style="list-style-type: none"> • misconduct; or • an improper state of affairs or circumstances. <p>This information can be about the company or organisation, or an officer or employee of the company or organisation, engaging in conduct that:</p> <p>'Reasonable grounds' means that a reasonable person in your position would also suspect the information indicates misconduct or a breach of the law.</p>
<p>There is no formal registration process for whistleblowers; the protections apply to anyone who meets the above criteria.</p>	