

# Outsourcing Policy

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4XHub Ltd

Company: 4XHub Ltd  
Registration No: LL16731  
License No: MB/20/0055  
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## 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**

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### **1. BACKGROUND**

- 1.1 The purpose of this Outsourcing Policy (“**Policy**”) is to ensure 4XHub Ltd (“**4XHub**”) has adequate processes in place to manage the selection, appointment, monitoring and supervision of external service providers.

## **SECTION B – PROCEDURES**

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### **2. PERSON RESPONSIBLE**

- 2.1 The Board of Directors is primarily responsible for the evaluation of the suitability of external service providers.
- 2.2 The Compliance Officer monitors and supervises all external service providers to ensure they act in accordance with their appointment and all other obligations.

### **3. SELECTION**

- 3.1 4XHub may also appoint external service providers to provide services in connection with the operation of its financial services business.
- 3.2 If 4XHub appoints an external service provider to provide services in connection with the operation of its financial services business, then it must ensure the service provider is properly skilled, experienced and licensed to provide the service (e.g. by making enquiries as to their qualifications, licences and experience).
- 3.3 External service providers are generally selected based on any of the following:
- (a) past association;
  - (b) reputation within the external service provider’s field of expertise;
  - (c) expertise of key personnel;
  - (d) referral of external service provider from trusted source;
  - (e) consultation or meetings with directors and senior or key employees of the external service providers;
  - (f) confirmation that external service providers hold appropriate licenses, if necessary;
  - (g) confirmation that external service providers hold professional indemnity insurance and/or public liability insurance, if necessary; and
  - (h) assessment of any actual or potential conflicts of interest.
- 3.4 A summary of the process for appointing an external service provider which may be completed as part of the appointment process is located at Appendix 1.

### **4. APPOINTMENT**

- 4.1 All external service providers who provide services in connection with the operation of 4XHub's financial services business must, where practicable, be appointed in writing.
- 4.2 In the case of an emergency, an external service provider is not required to be appointed in writing, however, a written agreement is entered into at the first reasonable opportunity if the service continues beyond the initial urgent period. A written appointment is not required for immaterial, minor or trivial services.
- 4.3 The external service provider may be required to provide 4XHub with a declaration regarding possible conflicts of interest, where appropriate.
- 4.4 The written agreement must include the provisions usually included in the terms of appointment, such as services to be provided, performance benchmarks, dispute resolution and termination. If appropriate, the agreement also contains a requirement for the service provider to report any breaches of 4XHub's Labuan Financial Services Authority ("LFSA") or the Labuan Companies Act immediately to the Compliance Officer where such breaches are identified.
- 4.5 4XHub maintains a list of appointed external service providers appointed by 4XHub (refer to 4XHub's External Service Providers Register).

## **5. MONITORING AND REVIEW OF PERFORMANCE**

- 5.1 4XHub monitors and reviews the performance of its external service providers at least annually.
- 5.2 The checklist contained in Appendix 2 contains a review checklist template which may be completed as part of the monitoring and review process for external service providers.
- 5.3 Monitoring may be completed in any number of ways, including by management reporting, visiting external service providers' premises or the site of the work being performed, or assessing performance against contractual obligations.
- 5.4 The primary purpose of monitoring external service providers is to ensure they meet the requirements of their agreement (by verifying the work performed against their contractual obligations). Monitoring external service providers also enables 4XHub to determine if work undertaken by the service provider has caused 4XHub to be in breach of its LFSA license or the Labuan Companies Act.

## **6. BREACHES OF OUTSOURCING AGREEMENTS**

- 6.1 If 4XHub is of the opinion an external service provider is not performing its contractual obligations, then it must take necessary action to rectify the default as soon as practicable after forming the opinion, having regard to the nature of the action. The remedial action may include any of the following:
  - (a) communicating with the external service provider with a view to rectifying the default quickly and effectively;
  - (b) serving a default notice on the external service provider;

- (c) terminating the agreement with the external service provider in accordance with the termination provisions of the agreement; or
- (d) calling for tenders for a replacement external service provider.

## **7. REVIEW PROCESS**

7.1 The Compliance Officer must undertake the following reviews under this Policy:

- (a) Appointment — review of key external service providers to ensure they have been appointed in accordance with this Policy; and
- (b) Performance — annual performance review of the key external service providers in accordance with this Policy. This review may be undertaken by other senior staff members, e.g. the Financial Manager may review the performance of the auditor and accountants.

## **8. POLICY REVIEW**

8.1 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 – EXTERNAL SERVICE PROVIDER INFORMATION**

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It is an important part of our engagement process that we are able to ensure the identity, integrity and credentials of all people who work for or provide services to us. With this in mind, please read the following and provide the details requested.

**1. RELIANCE:**

We are relying on the information you give us, subject to any independent verification we obtain. Accordingly, in providing the information you declare that it is accurate and not misleading.

**2. VERIFICATION:**

We may seek to independently verify any of the information you give us by contacting the person directly or organisation named. In addition, we may search any relevant publicly available database.

**3. CONFIDENTIALITY:**

The information you give us, or that we obtain in connection with your engagement, will be treated as confidential. We will not use it for any purpose other than assessing your suitability for the position. Only those staff members who need to know the information will have access to it and we will not disclose any of it to anyone outside 4XHub Pty Ltd without your express consent.

**4. RETENTION OF INFORMATION:**

If we engage your services, we will keep the information on your file for up to seven (7) years after your engagement with us ends (this is the general standard period for keeping business records). If we do not engage you to provide services, we will keep the information for one (1) year only.

If you have any questions or concerns about any of these matters, please raise them with us.

Based on the matters set out above, I consent to 4XHub Ltd collecting, using and retaining the following information and other related information.

Service provider name: .....

Signatory name: .....

Signatory position .....

Signature .....

Date .....

External Service Provider Details			Verification
1.	Name:		
2.	<input type="checkbox"/> Company		
	<input type="checkbox"/> Business		Registration No.
	<input type="checkbox"/> Individual		
3.	Principal place of business address:		
For Companies			Verification
5.	Names and addresses of directors & secretaries:	1.	
		2.	
		3.	
		4.	
6.	Name and address of beneficial owners of shares: <i>(This information must be verified as correct by the company's external accountant, auditor or solicitor.)</i>	1.	Accountant, Auditor, or Solicitor
		2.	
		3.	
		4.	
7.	Is the company in external administration? <input type="checkbox"/> Yes <input type="checkbox"/> No		
8.	Is there any unsatisfied application to wind up the company? <input type="checkbox"/> Yes <input type="checkbox"/> No		
For Businesses			Verification
9.	Names and addresses of principals/owner(s):	1.	
		2.	
		3.	
		4.	



**For Companies and Businesses – Complete Items 10 to 12**

<b>10.</b>	Other than directors or principals, please identify all senior managers or other supervisory employees or contractors likely to be responsible for the services to be supplied:	1.
		2.
		3.
		4.

<b>11.</b>	Do you have professional indemnity insurance cover for the services to be provided? <input type="checkbox"/> Yes <input type="checkbox"/> No	
	Name of insurer/insurance scheme:	
	Amount of cover (one claim):	\$
	Amount of cover (in aggregate):	\$
	Expiry Date:	

**Business References**

<b>12.</b>	Organisation Name	Contact person	Telephone

**13. Background Matters**

*Please complete the following information for each Director, Secretary, Principal and other person identified at Items 5, 6 & 7 (attach additional sheets if necessary).*

Name:		Verification
Have you ever been banned or disqualified from managing a corporation, providing a financial service or engaging in credit activity?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If yes, provide details, including the dates and period of disqualification, and the reasons for the disqualification.</i>

<p>Have you, in the last 10 years, been named as a defendant or respondent in any criminal proceedings?</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<p><i>If yes, provide details including the date, the charge and result for each offence.</i></p>	
<p>Have you ever been a defendant or respondent in proceedings for a civil penalty or disciplinary proceedings under any legislation?</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<p><i>If yes, provide details including the date, the details and result for each occasion.</i></p>	
<p>Have you been bankrupt or entered into a personal insolvency arrangement (or similar) with your creditors?</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<p><i>If yes, provide date the bankruptcy/ arrangement started and finished, and the name of the trustee.</i></p>	
<p>Is there any unsatisfied application to make you bankrupt?</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<p><i>If yes, provide details.</i></p>	
<p>Have you been subject to any action as a result of an investigation, inquiry or audit that relates or related to issues of your character, competence or conduct?</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<p><i>If yes, provide details including the date, the details and result of the investigation etc.</i></p>	
<p>Have you been the subject of an ethics conduct enquiry related to your membership of any association or professional body?</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<p><i>If yes, provide details including the date, the association/body, and the details and result of the enquiry.</i></p>	<p>Association/Body</p>

**APPENDIX 2 – EXTERNAL SERVICE PROVIDER REVIEW CHECKLIST**

EXTERNAL SERVICE PROVIDERS REVIEW			
<b>Licensee:</b>	4XHub Ltd		
<b>Person Responsible:</b>			
<b>Date of Review:</b>			
DETAILS OF THE SERVICE PROVIDER			
<b>Name:</b>			
<b>Company No.:</b>			
<b>Contact Details:</b>			
<b>Individual Contact Details:</b>			
DETAILS OF THE SERVICES PROVIDED			
<b>Service area:</b>	<i>[Insert service area e.g. compliance, accounting, legal etc]</i>		
<b>Specific Services Provided:</b>	<i>[Insert details of specific services provided]</i>		
ANNUAL REVIEW AND ASSESSMENT			
<i>[Insert details of the review and assessment of the service provided e.g. quality and timeliness of service provided, pricing, overall compliance with contractual obligations etc.]</i>			
RECOMMENDATION			
<input type="checkbox"/> Renew Contract <input type="checkbox"/> Renew Contract but look for additional suppliers <input type="checkbox"/> Do <u>not</u> renew			
<b>Name:</b>			
<b>Position:</b>			
<b>Signed:</b>		<b>Date:</b>	

