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Corporate  
Governance  
Statement



# 2023 Corporate Governance Statement

**HUB24** Limited ('HUB24' or the 'Company') views good governance as essential in the performance and sustainability of our business and therefore the Company has endeavoured to strengthen and enhance its frameworks, systems and controls as the Company has continued to expand over the period 1 July 2022 to 30 June 2023 (the 'reporting period').

HUB24 observes the ASX Corporate Governance Principles and Recommendations as detailed in this Corporate Governance Statement ('Statement'), and discloses the extent to which HUB24 has followed the ASX Corporate Governance Principles and Recommendations fourth edition ('ASX Principles and Recommendations').

Except where otherwise explained, HUB24 followed the ASX Principles and Recommendations during the reporting period.

HUB24's compliance with the ASX Principles and Recommendations is set out in the Company's Appendix 4G which is available in the corporate governance section of the Company's website at <https://www.hub24.com.au/shareholder-centre/corporate-governance/>.

This Statement should be read in conjunction with other material on our website <https://www.hub24.com.au/shareholder-centre/overview/> including the 2023 Annual Report, Appendix 4G, 2023 Sustainability Report and ASX releases.

This Statement is current as at 22 August 2023 and has been approved by the HUB24 Board ('the Board').

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# Laying solid foundations for management and oversight

## THE ROLE OF THE BOARD

The Board seeks to promote the long-term interests of HUB24 and its controlled entities ('HUB24 Group'), including its shareholders, taking into account HUB24's broader responsibilities to customers, its people and the communities in which it operates. In addition, the Board is responsible for:

- providing leadership and strategic guidance for the HUB24 Group and delivery of the HUB24 Group's purpose;
- setting the strategic objectives and risk appetite of the HUB24 Group;
- identifying areas of significant business risk and overseeing arrangements to adequately manage those risks;
- leading the culture, values and behaviours expected of the HUB24 Group's people;
- overseeing the management, performance and corporate governance frameworks of the HUB24 Group; and
- appointing HUB24's Chief Executive Officer or Managing Director.

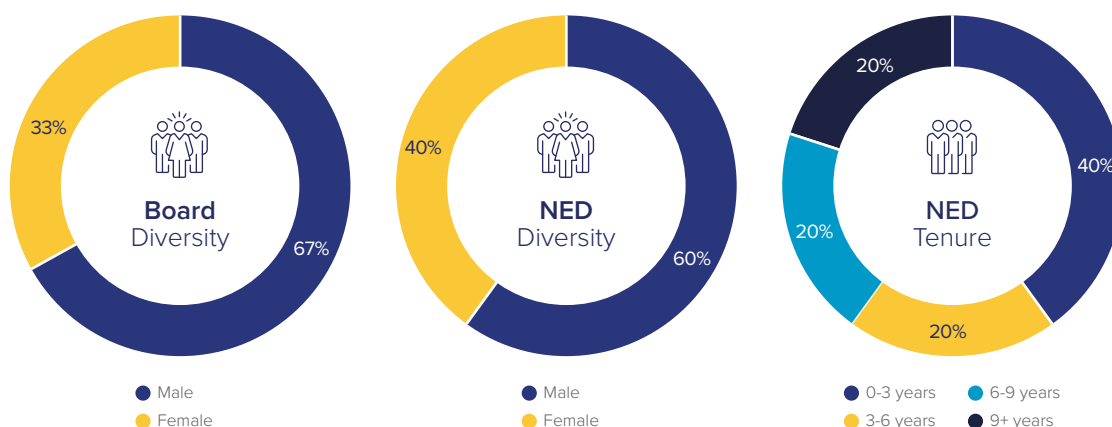
The Board operates under a Charter, which sets out the Board's role, the scope of its responsibilities and matters reserved for the Board.

The Board is comprised of 5 independent Non-Executive Directors (including the Chairman) and the Managing Director and Chief Executive Officer (MD).

Director profiles, the number of Board and Committee meetings held during the financial year and the attendance of Directors at those meetings can be found in the Directors' Report in our 2023 Annual Report.

Name	Position	Independent	Appointed
Mr Bruce Higgins	Chairman and Non-Executive Director	Yes	2012
Mr Andrew Alcock	Managing Director	No	2014
Mr Anthony McDonald	Non-Executive Director	Yes	2015
Ms Catherine Kovacs	Non-Executive Director	Yes	2021
Mr Paul Rogan	Non-Executive Director	Yes	2017
Ms Rachel Grimes AM (appointed 29 May 2023)	Non-Executive Director	Yes	2023
Ms Ruth Stringer (retired 30 April 2023)	Non-Executive Director	Yes	2020

The Board has elected Mr Bruce Higgins as Chairman. The role of the Chairman is set out in the Board Charter.



## THE ROLE OF MANAGEMENT

The implementation of strategy, risk management and operations of the business of HUB24 is delegated, by the Board, to the Managing Director and is supported by the Leadership Team.

The Leadership Team is responsible for providing accurate, timely and clear information on HUB24's operations, financial performance, compliance with material legal and regulatory requirements and reporting conduct that is inconsistent with our Code of Conduct.

The Board ensures that this team is appropriately qualified and experienced to discharge their responsibilities and has in place procedures to assess the performance of the Managing Director and the Leadership Team.

Further information of the roles and responsibility of the Board and Management can be found in the Board Charter, which is available at <https://www.hub24.com.au/shareholder-centre/corporate-governance/>

# Laying solid foundations for management and oversight

continued

## NOMINATION AND APPOINTMENT OF DIRECTORS

To ensure that the Board is equipped to discharge its responsibilities either directly or through the use of Committees, Charters have been adopted which provide for the nomination and selection of Directors and for the operation of the Board and its Committees, among other things.

The Board has established a Remuneration and Nomination Committee to review and make recommendations to the Board on the appointment and re-election of Directors including evaluating the balance of skills, knowledge, experience, independence and diversity on the Board and Board succession planning.

Before appointing Directors or senior management, appropriate background checks are undertaken to determine a candidate's fitness and propriety to undertake the role. The checks cover elements such as the person's character, experience, employment history, qualifications, criminal history, bankruptcy history, reference checks and disqualified officer status.

A Director (except the Managing Director) who has been appointed during the year must stand for election at the next Annual General Meeting (AGM). Our Constitution states that a Director (except the Managing Director) who has held office for three or more years since their last election or until the third AGM following their appointment or election must retire and seek re-election at the next AGM of the Company.

The Company provides in our Notice of Meeting to shareholders for their consideration, information about each candidate standing for election or re-election as a Director that the Board considers necessary for shareholders to make a fully informed decision on their appointment or re-election.

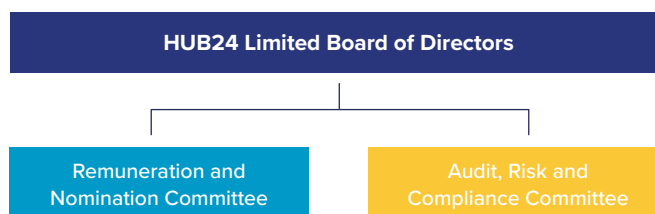
The terms of appointment of a Non-Executive Director are set out in writing and set out the expectations of the role, conditions of appointment including the expected term of appointment, and remuneration. All new Directors participate in an induction program to familiarise themselves with our business and strategy, culture and values and any current issues before the Board.

## THE ROLE OF COMMITTEES

Whilst at all times the Board retains full responsibility for guiding and monitoring HUB24, in discharging its stewardship it makes use of Committees. These Committees are given responsibility for particular aspects of the Board's role and for providing informed feedback to the Board on those areas.

At the date of this statement, the Board has established two standing Committees to assist with the discharge of its responsibilities which are the:

- Audit, Risk and Compliance Committee (ARCC), comprising of four independent Non-Executive Directors, chaired by Mr Paul Rogan, an Independent Non-Executive Director; and
- Remuneration and Nomination Committee (R&NC), comprising of three independent Non-Executive Directors, chaired by Mr Anthony McDonald, an Independent Non-Executive Director.



Each Committee has adopted a formal, Board approved Charter that details its role, authority, responsibilities, membership and operations. The Committee Charters are reviewed annually and are available on our website at: <https://www.hub24.com.au/shareholder-centre/corporate-governance/>

To maximise the effectiveness of these Committees, Directors are appointed having regard to each Director's skills and expertise. The MD is not a member of any Board Committee, however attends meetings as an invitee.

The Chairs and Members of each Board Committee for the reporting period were as follows:

Independent Non-Executive Directors	Audit, Risk and Compliance Committee	Remuneration and Nomination Committee
Mr Paul Rogan	Chair	Member
Mr Anthony McDonald	—	Chair
Mr Bruce Higgins	Member	Member <i>(retired as a Member 1 April 2023, and now attends as a permanent invitee)</i>
Ms Ruth Stringer <i>(retired 30 April 2023)</i>	Member	—
Ms Catherine Kovacs	Member	Member <i>(joined as a Member 1 April 2023)</i>
Ms Rachel Grimes AM <i>(appointed 29 May 2023)</i>	Member <i>(appointed as a Member 29 May 2023)</i>	—

Board and Committee attendances for the reporting period are outlined in the FY23 Annual Report published on our website at: <https://www.hub24.com.au/shareholder-centre/financial-reporting/>

Each Committee regularly reports to the Board on matters relevant to the Committee's role and responsibilities and the Board receives the minutes of each Committee meeting at the following Board meeting. Committee minutes are made available to each Director unless that Director is otherwise precluded due to a potential conflict. From time to time the Board may approve the establishment of other ad hoc special Board Committees to give guidance and provide oversight concerning specific matters to the Board.

## DIVERSITY

HUB24 values diversity and inclusion and recognises its importance in attracting and retaining employees with the greatest range of skills and abilities. The Board is conscious of building a diverse and inclusive workforce and is committed to diversity and inclusion across the wide range of workforce demographics, with the intention to apply a lens to diversity that includes, but also extends beyond, gender.

The Company has adopted a Group and Board diversity policy which describes how HUB24 promotes diversity.

The Board approved Group Diversity Policy and Board Diversity policies are published on our website at: <https://www.hub24.com.au/shareholder-centre/corporate-governance/>

During the reporting period, HUB24's gender diversity objectives were:

- Board Membership 30% female, 70% male
- Leadership Team and General Workforce 40% male, 40% female and 20% open.

Overall HUB24 gender diversity outcomes for the reporting period performed well against these objectives. As at 30 June 2023 the Company exceeded its gender target objectives in relation to overall gender diversity at the Board, Leadership Team and General Workforce level as outlined below.

Organisational Level	HUB24 Gender Target	30 June 2023 Gender Results
Board	30% female 70% male	33% female 67% male
Leadership Team (MD – 1 layer) (direct reports to the MD)	40% female 40% male 20% open	50% female 50% male
General Workforce	40% female 40% male 20% open	44% female 56% male 0.3% other

At 30 June 2023 the Board had a 33% female representation, although the Company did not meet the requirements of the ASX Principles and Recommendations for the whole of the reporting period, as Ms Ruth Stringer retired from the Board effective 30 April 2023 and Ms Rachel Grimes AM was appointed on 29 May 2023. The Board has adopted a medium-term gender target of 40% female, 40% male and 20% open.

The Company is a 'relevant employer' under the Workplace Gender Equality Act 2012 and completed its 2022–2023 Gender Equality Reporting lodged with the Workplace Gender Equality Agency. The report is available at: <https://www.hub24.com.au/shareholder-centre/corporate-governance/>

## PERFORMANCE ASSESSMENTS

The performance of the Directors and key Executives is reviewed regularly against both measurable and qualitative indicators.

The performance criteria against which Directors and Executives are assessed are aligned with the financial and non-financial objectives of the Company.

For FY23 the Board elected to use an external consultant to facilitate the Board performance evaluation. The performance of the Board Committees was evaluated as part of the external Board assessment.

The Board has considered the outcomes of the review and where appropriate will consider measures to improve the performance of Directors, Committees and the Board as a whole.

The members of the Leadership Team have defined objectives which are agreed at the commencement of each financial year. Their performance against these objectives is assessed annually, in addition to regular feedback during the performance period. An assessment of the MD and Executive KMP performance is undertaken by the Remuneration & Nomination Committee and the Board. This assessment was undertaken for the reporting period in accordance with this process and the outcomes for KMP are disclosed in the Remuneration Report in our 2023 Annual Report.

# Structuring the board to be effective and add value

## DIRECTOR INDEPENDENCE

The skills, experience and expertise relevant to the position of Director held by each Director in office at the date of the Annual Report are included in the Directors' Report. Directors of the Company are considered to be independent when they are independent of Management and free from any business or other relationship that could materially interfere with (or could reasonably be perceived to materially interfere with), the exercise of their unfettered and independent judgement.

The Board formally assesses Director independence annually, having regard to the criteria specified in recommendation 2.3 of the ASX Principles and Recommendations and has determined that all current Non-Executive Directors are independent.

As at the date of this statement, HUB's Board consists of five independent Non-Executive Directors and the Managing Director whose names, position and their status as an independent or non-independent Director is set out below:

Name of Director	Role	Status
Mr Bruce Higgins	Non-Executive Chairman	Independent
Mr Anthony McDonald	Non-Executive Director	Independent
Ms Catherine Kovacs	Non-Executive Director	Independent
Mr Paul Rogan	Non-Executive Director	Independent
Ms Rachel Grimes AM (appointed 29 May 2023)	Non-Executive Director	Independent
Ms Ruth Stringer (retired 30 April 2023)	Non-Executive Director	Independent
Mr Andrew Alcock	Managing Director and Chief Executive Officer	Executive

As noted, the HUB24 Board had six Directors at the end of the reporting period, five of whom are independent. HUB24 follows the ASX Principles and Recommendations which recommend that a majority of the Board be independent.

The Company Secretaries are appointed by the Board and report to and are accountable to the Board through the Chairman on all matters regarding the proper functioning of the Board and its Committees. This includes assisting the Board and its Committees with meetings and Directors' duties, advising the Board on corporate governance matters, and acting as the interface between the Board and Leadership Team. Further details on the Company Secretaries is provided in the Directors' Report section in our 2023 Annual Report.

There are procedures in place, agreed by the Board, to enable Directors in furtherance of their duties to seek independent professional advice at the Company's expense.

## DIRECTOR SKILLS AND EXPERIENCE

Our objective is to have an appropriate mix of expertise, experience and diversity on our Board and its Committees so that the Board can effectively discharge its corporate governance and oversight responsibilities. This mix is described in the Board skills and diversity matrix which is summarised in the following table. Whilst overall the Board maintains a broad and sound breadth of skills and expertise, the Board is focussed on further developing its expertise and insights in large scale technology platforms, data management and cyber risk. The Board has and will continue to do this via a

combination of continuing education and updates from internal and external experts to keep abreast of these items, and will continue to evaluate its Board composition in light of these and other items.

Further information regarding our Directors in office at the date of this report, including their experience, qualifications and attendance at meetings during the reporting period, is set out in the Directors' Report section in our 2023 Annual Report.

The Board skill and experience matrix below describes the combined skills, experience and expertise presently represented on the Board.

Skills and Experience Category	Skill/Experience
<b>Overall culture and strategy</b>	<ul style="list-style-type: none"> <li>Cultural direction and embodiment</li> <li>Leadership creation</li> <li>Listed companies/market disclosure</li> <li>Strategy formulation</li> </ul>
<b>Strategy and business alignment</b>	<ul style="list-style-type: none"> <li>Platform and portfolio administration, asset management funds</li> </ul>
<ul style="list-style-type: none"> <li><b>Platform</b></li> <li><b>Growth</b></li> <li><b>Advice profession enablement</b></li> </ul>	<ul style="list-style-type: none"> <li>Market expansion, Mergers &amp; Acquisitions</li> <li>Licensee and dealer groups</li> </ul>
<b>Financial</b>	<ul style="list-style-type: none"> <li>Financial management, reporting and oversight</li> <li>Accounting policies and standards</li> </ul>
<b>Operational, risk management and governance</b>	<ul style="list-style-type: none"> <li>Organisational management, project management</li> <li>Risk management</li> <li>Regulatory compliance and legal</li> </ul>
<b>Human capital</b>	<ul style="list-style-type: none"> <li>Human resources</li> <li>Succession</li> <li>Remuneration &amp; Benefits</li> </ul>
<b>Technology, data and IT</b>	<ul style="list-style-type: none"> <li>Large scale technology platforms</li> <li>Data management &amp; cyber security</li> </ul>
<b>Marketing and sales</b>	<ul style="list-style-type: none"> <li>Strategic marketing</li> <li>Sales</li> </ul>
<b>Custom HUB24 specific</b>	<ul style="list-style-type: none"> <li>Entrepreneurship</li> </ul>
<b>Diversity</b>	<ul style="list-style-type: none"> <li>Gender</li> <li>Age</li> <li>Geographical</li> <li>Ethnicity</li> <li>Experience</li> </ul>

## INDUCTION AND TRAINING

HUB24 has a program for inducting new Directors and provides appropriate professional development opportunities for Directors to develop and maintain the skills and knowledge needed to perform their role as Directors effectively.

During the year the Directors received training and updates on regulatory matters and areas of commercial risk to further broaden their skills and experience.

Details of the number of Board and Committee meetings held during the 2023 Financial Year and attendance by Directors are set out in the Directors' Report in our 2023 Annual Report.

# Instil a culture of acting lawfully, ethically and responsibly

HUB24's vision is to lead the wealth industry as the best provider of integrated platform, technology and data solutions. Our values underpin how we do business, how we interact with stakeholders, and how our people operate in the workplace.

## Our values are:



### INNOVATION

Think big and outside the square



### INTEGRITY

Do the right thing



### EXCELLENCE

Go above and beyond



### CLIENT FOCUS

Be easy to deal with



### PASSION

Invest energy to make a difference



### COLLABORATION

Act as one team, one company

## HUB24 VALUES

HUB24 has a set of Values that it promotes and reinforces with all HUB24 employees, and employees receiving training on HUB24's values as part of our employee induction program.

Our Values are available on our website at: <https://www.hub24.com.au/about-us/>

## CODE OF CONDUCT

The HUB24 Group Code of Conduct applies to all Directors, senior executives, employees and contractors, and promotes an organisational culture that enables our employees to respond appropriately in a variety of situations and to be accountable for their decisions.

The Code of Conduct is available on our website at: <https://www.hub24.com.au/shareholder-centre/corporate-governance/>

## WHISTLEBLOWING

HUB24 has a Group Whistleblower Policy and employees are encouraged to report behaviours or instances that are not in accordance with our Code of Conduct, procedures, processes and regulatory requirements. Employees and other specified persons can report these matters via our Whistleblower policy. Material incidents that are notified under the Whistleblower policy are reported to the Audit, Risk and Compliance Committee and the Board.

Our Whistleblower policy can be found here: <https://www.hub24.com.au/shareholder-centre/corporate-governance/>

## ANTI-BRIBERY AND CORRUPTION POLICY

The Group Anti-Bribery and Corruption policy prohibits Directors and employees of the Group from engaging in activity that constitutes bribery, corruption and facilitation payments, and provides guidance on how to recognise and deal with bribery and corruption issues. Incidents that are notified under the Anti-Bribery and Corruption policy are reported to the Audit, Risk and Compliance Committee and the Board.

A copy of the Anti-Bribery and Corruption Policy can be found here: <https://www.hub24.com.au/shareholder-centre/corporate-governance/>

## DIRECTOR AND EMPLOYEE TRADING POLICY

The HUB24 Group Securities Trading Policy sets out the circumstances in which Directors and employees may deal in HUB24 securities. All Directors and employees are required to comply with HUB24's Group Securities Trading Policy at all times and in respect of all HUB24 securities held.

Director and staff trading in HUB24 securities is subject to pre-clearance and is not permitted during designated restricted periods unless exceptional circumstances or specific exemptions apply. Directors and all staff are precluded from entering into transactions to limit their economic risk from investing in Company shares, options, or rights, where those entitlements are unvested. A copy of the HUB24 Group Securities Trading Policy can be found here: <https://www.hub24.com.au/shareholder-centre/corporate-governance/>

## SLAVERY AND HUMAN TRAFFICKING

Our modern slavery framework has been established to identify and reduce the risk of exposure to modern slavery and human trafficking. This involves, amongst other things, undertaking risk assessments and due diligence on third party suppliers to exposure to modern slavery and human trafficking and ensuring our staff are appropriately trained on the modern slavery framework. A copy of our Modern Slavery Statement can be found here: <https://www.hub24.com.au/shareholder-centre/corporate-governance/>

# Safeguard the integrity of corporate reports

## MANAGING DIRECTOR AND CFO CERTIFICATION

In accordance with section 295A of the Corporations Act 2001 (Cth), the Managing Director and Chief Financial Officer, as defined under sections 295A(4) and 295A(6) have provided a written statement to the Board that:

- The financial records of the Company for the financial year have been properly maintained in accordance with the relevant requirements; and
- The financial statements and the notes for the financial year comply with the accounting standards; and
- The financial statements and notes for the financial year give a true and fair view; and
- Any other matters that are prescribed by the regulations in relation to the financial statements and the notes for the financial year are satisfied.

The Managing Director and Chief Financial Officer's view provided on the Company's Financial Report is founded on:

- A sound system of risk management; and
- The internal compliance and control practices implement the financial policies adopted by the Board; and
- The Company's risk management and internal compliance and control system is operating effectively in all material respects.

The Board notes that due to its nature, internal control assurance from the MD and CFO can only be reasonable rather than absolute. This is due to such factors as the need for judgement, the use of testing on a sample basis, the inherent limitations in internal control and because much of the evidence available is persuasive rather than conclusive and therefore is not and cannot be designed to detect all weaknesses in control procedures.

## VERIFICATION OF PERIODIC CORPORATE REPORTS

The Board is committed to providing clear and concise disclosure to its shareholders and stakeholders in its corporate reports. Periodic corporate reports are issued by the Company from time to time.

If the Company's auditor has not been required to review the periodic corporate report, prior to Board approval and release to the market, the appropriate Leadership Team members, subject matter experts and external advisors review the reports to ensure that such reports are materially accurate and provide investors with appropriate information.

## EXTERNAL AUDITOR

HUB's financial statements are subject to an annual and half year audit by our External Auditor, Deloitte Touche Tohmatsu ('Deloitte'). Deloitte is invited to all Audit, Risk & Compliance Committee meetings and all Audit, Risk & Compliance Committee papers are made available to Deloitte. Deloitte representatives are also available to all Audit, Risk & Compliance Committee Members and Directors.

Deloitte attends our AGM and a representative is available to answer questions from shareholders relevant to the audit at, or ahead of, the AGM. Deloitte's Independence Declaration is contained in our 2023 Annual Report.

## Making timely and balanced disclosure

We are committed to providing information to shareholders and to the market in a manner that is consistent with the meaning and intention of the ASX Listing Rules.

In order to comply with these obligations, the Board has adopted a Market Disclosure Policy which is available on our website at: <https://www.hub24.com.au/shareholder-centre/corporate-governance/>

The Market Disclosure Policy includes a vetting and authorisation process so that all disclosures are factual, do not omit material matters, and are expressed in a clear and objective manner. The policy also outlines how the Company identifies and distributes information to shareholders and the market generally.

Any new or substantive investor or analyst presentation materials are released on the ASX Market Announcements Platform prior to the presentation.

The Company Secretary ensures the Board receives copies of all material market announcements promptly after they have been made to the market.



# Respecting the rights of security holders

Information about the Company's governance, substantial market announcements and presentations and Annual and Interim financial reports for investors can be found at the Company's website at: [www.hub24.com.au](http://www.hub24.com.au)

HUB24 endeavours to communicate with shareholders and other stakeholders in an open, regular and timely manner so that the market has sufficient information to make informed investment decisions.

Through its shareholder communications, HUB24 aims to provide information that will allow existing shareholders, potential shareholders and financial analysts to make informed decisions about the Group's intrinsic value and meet its obligations under the ASX's continuous disclosure regime.

HUB24 has an investor relations program which includes:

- Issuing regular written shareholder communications such as quarterly market updates as well as Interim and Annual Reports which address the Company's strategy and performance;
- Investor presentations on the Company's financial results held at least twice per year including for the benefit of shareholders webcasting of the annual and interim result presentations;
- Conducting Investor Days, corporate strategy and business updates, with associated presentation materials released to the ASX ahead of briefings, and then made available on the Company's website;
- Sending and receiving shareholder communications electronically from our share registry;
- Maintaining the Board and governance section on the HUB24 website including posting all material announcements after they have been disclosed to the market;
- Engaging in a program of scheduled interactions with institutional investors as well as sell-side and buy-side analysts;
- Promoting two-way interaction with shareholders, by supporting shareholder participation in the AGM including encouraging shareholders to send their questions to the Company prior to the AGM and responding to their questions and feedback; and
- Ensuring that continuous disclosure obligations are understood and complied with throughout the Company.

Our Group Shareholder Communication Policy is available on our website at: <https://www.hub24.com.au/shareholder-centre/corporate-governance/>

HUB24 shareholders can elect to receive their shareholder communications electronically via a link in our website to our share registry.

The AGM is an important event and an opportunity for shareholders or their proxy to ask questions of the Board and the Auditors. A Notice of Meeting and accompanying Explanatory Memorandum on proposed resolutions is provided to shareholders in advance of the AGM and is lodged with the ASX and published on our website. All resolutions at our AGM are decided by poll and results are lodged with the ASX and published on our website following the conclusion of the AGM. The Chairman and Managing Director's presentations made at the AGM are also lodged with the ASX.

The Company's external Auditor attends AGM's to be available to answer shareholder questions regarding the audit of the Company's financial reports.

# Recognise and manage risk

## RISK MANAGEMENT

HUB24’s Risk Management Framework has seven components, which provide a complete approach for managing risk and achieving the Group’s strategic objectives. HUB24’s Risk Management Framework is aligned with better practice risk management principles set out in APRA’s Prudential Standard CPS 220 Risk Management and the International Standard ISO 31000 Risk Management – Guidelines.

At the core of HUB24’s Risk Management Framework is our commitment to doing right by our customers by taking a proactive approach to risk management. HUB24 delivers effective risk management outcomes through the execution of our risk management framework. Effective risk management means that we:

- Achieve our purpose of empowering better financial futures together through delivering innovation that creates value for customers;
- Take risk and seek reward where it is aligned to our purpose, values, and is within risk appetite; and
- Meet our regulatory and statutory obligations.

The Group Risk Management Framework and Group Risk Appetite Statement are reviewed annually by Management and the ARCC, to seek assurance that it is both sound and effective. The Group Risk Management Framework, and Group Risk Appetite Statement were approved by the Board, on the recommendation of the ARCC, during the financial year ended 30 June 2023. Management undertook a review of the Group Risk Management Framework during the Reporting Period and confirmed that it is operating effectively with due regard to the Risk Appetite Statement set by the Board.

HUB24 manages risk using the Three Lines of Accountability model. The model is designed to enable all our people to understand their role and responsibilities in managing risk. The Managing Director and Group Executive are responsible for executing the strategy and managing any impacts on risk appetite and risk profile. A Group Risk & Compliance function has been established to provide operationally independent monitoring, assessment and insight to the Managing Director and Group Executive. The ARCC assists the Board in providing oversight and ensuring the soundness of HUB24’s Risk Management Framework and internal control systems.

HUB24 is committed to enhancing and reinforcing a strong risk culture across the Group which is supported by our Code of Conduct. Our culture is expressed through our Group Code of Conduct including our HUB24 Values, which all our people are expected to observe. We measure our risk culture through a combination of surveys, training, and review of the extent to which risk practices are effectively embedded in operational processes. Our performance management framework, which includes remuneration outcomes for our people, also includes consideration of mandatory risk and compliance requirements with respect to our culture.

## INTERNAL AUDIT

The Company has appointed KPMG to provide its independent internal audit function. This critical capability implements the third line of assurance within our risk management framework. The Internal Audit function has a 3-year program of work that is developed with key stakeholders and approved by the Audit, Risk and Compliance Committee. The internal audit programme is flexible to deal with changes in market conditions and priorities.



## ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group's operations are not subject to significant environmental regulations under either Commonwealth or State legislation and the Directors are not aware of any material non compliance with environmental regulations pertaining to the operations or activities during the period covered by this report.

At HUB24, we recognise the importance of sustainability for the long-term prosperity of our customers, people, shareholders and communities.

Our 2023 Sustainability Report issued on 22 August 2023, and available at <https://www.hub24.com.au/shareholder-centre/corporate-governance/>, details our environmental, social and governance (ESG) focus areas and how we have progressed our targets over the year.

Throughout FY23 we've made significant progress towards maturing our sustainability agenda and delivering on our objectives.

Some of the key highlights have included:

- Achieved whole of company gender diversity targets;
- Increased employee engagement to 74%;
- Made progress towards embedding our community giving program in our operating model and contributed to a range of community initiatives;
- Determined baselines for Scope 1 and 2 carbon emissions toward our net zero target for 2030; and
- Continued to enhance our cyber and data security protocols across the Group.

An important focus for FY24 is taking these foundations forward to embed our sustainability strategy in all aspects of our business and engaging our people to deliver on our commitments and our purpose of empowering better financial futures, together.

## Remunerating fairly and responsibly

At HUB24, the responsibility for assisting the Board in overseeing remuneration is encompassed in the Charter of the Remuneration and Nomination Committee which is available on our website at: <https://www.hub24.com.au/shareholder-centre/corporate-governance/>

The Members of this Committee and their attendance at the Committee meetings is outlined in our 2023 Annual Report which is available on our website at: <https://www.hub24.com.au/shareholder-centre/financial-reporting/>

The R&NC assists and advises the Board in relation to the remuneration framework and practices for the Board, MD and senior executives.

During the year the Board commissioned remuneration reports from independent expert remuneration companies covering Non-Executive Director fees, fixed remuneration, short term incentives and long term incentive programs to ensure appropriate benchmarking and fair assessment of competitive total remuneration. Information regarding HUB24's remuneration framework for its Directors and Executive KMP is set out in the Remuneration Report in our 2023 Annual Report. The Remuneration Report includes a summary of our policies and practices for the deferral of performance-based remuneration for senior executives, including clawback mechanisms for non-compliance where required.

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[HUB24.COM.AU](https://HUB24.COM.AU)