



**AUDIT, RISK & COMPLIANCE COMMITTEE CHARTER
JUNE 2024**

HUB24 Limited

ABN 87 124 891 685

Approved by the Board of HUB24 Limited on 20 June 2024.

1. INTRODUCTION

- 1.1. The Audit, Risk and Compliance Committee (**ARCC**) is a Committee of the Board of HUB24 Limited (**HUB24**).
- 1.2. The Board established the ARCC in accordance with HUB24's Constitution.
- 1.3. This Charter sets out the ARCC's role and the scope of its responsibilities in relation to HUB24 and its controlled entities (collectively referred to as the **HUB24 Group**).
- 1.4. The Board has delegated authority to the ARCC to fulfil its responsibilities as set out in this Charter. The Board may make other delegations to the ARCC from time to time.
- 1.5. The role of the ARCC is not an executive role.

2. ROLE

- 2.1. The role of the ARCC is to assist the Board discharge its responsibilities in relation to the following:
 - 2.1.1. Instilling and continually reinforcing a culture across the HUB24 Group of acting lawfully, ethically and responsibly;
 - 2.1.2. Reviewing and monitoring the integrity of HUB24 Group's corporate financial reporting, including the consolidated financial reports and statements;
 - 2.1.3. Reviewing and monitoring the independence, appointment, performance and removal of the External Auditor and any Internal Auditor;
 - 2.1.4. Ensuring that the HUB24 Group has established a sound risk management framework and that periodically the effectiveness of that framework is reviewed;
 - 2.1.5. Ensuring that the HUB24 Group has established a sound compliance framework and internal controls environment and that periodically the effectiveness of that framework and controls environment is reviewed; and
 - 2.1.6. Reviewing and monitoring the appropriateness of the HUB24 Group's insurance program, having regard to HUB24 Group's business and the insurable risks associated with its business.

3. RESPONSIBILITIES

- 3.1. Without limiting its scope, the ARCC is responsible for the following:
 - 3.1.1. Risk Culture**
 - 3.1.1.1. Reviewing and making recommendations to the Board in relation to the HUB24 Group's Code of Conduct and Ethics;
 - 3.1.1.2. Promoting the quality and transparency of reporting and accountability with a view to ensuring the ARCC and the Board are receiving the right information to fulfil their roles.
 - 3.1.2. External Audit**
 - 3.1.2.1. Recommending the appointment or removal of the External Auditor to the Board;
 - 3.1.2.2. Reviewing and approving the terms of the annual audit services engagement and the engagement fee;
 - 3.1.2.3. Reviewing the rotation of the partner(s) for the External Audit;
 - 3.1.2.4. Reviewing the annual External Audit plan;
 - 3.1.2.5. Assessing, at least annually, the performance, effectiveness and independence of the External Auditor;

- 3.1.2.6. Reviewing the half year and annual audit review and audit reports in relation to the HUB24 Group financial statements and other internal control or regulatory reports issued by the External Auditor;
- 3.1.2.7. Assessing the findings and recommendations of the External Auditor and seeking verification that Management has responded appropriately; and
- 3.1.2.8. Reviewing and recommending to the Board for approval the disclosure of non-audit services provided by the External Auditor (and considering any implications on the independence of the External Auditor) for inclusion in the annual report.

3.1.3. Internal Control and Internal Audit

- 3.1.3.1. Reviewing and monitoring the effectiveness of the HUB24 Group's internal control systems;
- 3.1.3.2. Reviewing and approving the appointment, removal and remuneration of any Internal Auditor (including any external service provider engaged to undertake that function);
- 3.1.3.3. Reviewing and approving the internal audit plan and activities for the internal audit function;
- 3.1.3.4. Reviewing internal audit reviews undertaken and any recommendations made;
- 3.1.3.5. Reviewing Management's response to internal audit review findings and recommendations and monitoring Management's implementation of relevant actions;
- 3.1.3.6. Assessing (at least annually) the performance, effectiveness and independence of the Internal Audit function; and
- 3.1.3.7. Overseeing the coordination between the External Audit and Internal Audit.

3.1.4. Financial Reporting

- 3.1.4.1. Reviewing and making recommendations to the Board in relation to significant accounting and financial reporting issues, including changes to the accounting standards and regulatory requirements and the impacts on the financial statements of the HUB24 Group;
- 3.1.4.2. Reviewing and recommending to the Board for approval the half and full year financial statements for the HUB24 Group and any related disclosures after having discussions with Management and the External Auditor;
- 3.1.4.3. Reviewing the consistency and appropriateness of the accounting policies adopted by Management in relation to financial reports and statements and the HUB24 Group's adherence to the accounting standards, policies and other reporting requirements;
- 3.1.4.4. Reviewing and assessing significant estimates and judgements reflected by Management in proposed financial reports by enquiring of Management as to the processes used in determining significant accounting estimates and enquiring of the External Auditor as to their review processes and conclusions regarding the reasonableness of such estimates; and
- 3.1.4.5. Receiving and reviewing representations and attestations from the Managing Director and CEO and CFO regarding the half and full year financial statements for the HUB24 Group.

3.1.5. Risk Management

- 3.1.5.1. Reviewing the HUB24 Group's Risk Management Framework for identifying, monitoring and managing significant business risks across the HUB24 Group and considering whether the risk management framework and internal controls effectively identify areas of potential material risk;

- 3.1.5.2. Monitoring Management’s performance against the HUB24 Group’s Risk Management Framework, including whether Management is operating within the Risk Appetite Statement set by the Board;
 - 3.1.5.3. Reviewing any material incidents, including fraud incidents or a material controls breakdown and the appropriateness of the action taken by Management to address the matter;
 - 3.1.5.4. Receiving reports from Management on new and emerging sources of risk and the risk controls and mitigation measures that Management has or proposes to put in place to deal with those risks; and
 - 3.1.5.5. Review and make recommendations to the Board in relation to changes that should be made to the entity’s Risk Management Framework or to the Risk Appetite Statement set by the Board.
- 3.1.6. Insurance**
- 3.1.6.1. Overseeing the HUB24 Group’s insurance program at least annually, having regard to the HUB24 Group’s business and its insurable risks.
- 3.1.7. Cyber risk management**
- 3.1.7.1. Overseeing the HUB24 Group’s framework for identifying, mitigating and managing HUB24 Group’s cyber risk; and
 - 3.1.7.2. Considering the effectiveness of the HUB24 Group’s cyber resilience, risk control systems.
- 3.1.8. Environmental, Social and Governance (ESG)**
- 3.1.8.1. Overseeing the HUB24 Group’s identification, mitigation and managing of HUB24 Group’s ESG risks; and
 - 3.1.8.2. Review and make recommendations to the Board in relation to ESG accounting, reporting and disclosure matters.
- 3.1.9. Compliance**
- 3.1.9.1. Monitoring the extent to which the HUB24 Group complies with its legal and regulatory obligations;
 - 3.1.9.2. Reviewing any material breaches that Management has identified including those reported to a Regulatory Authority (for example, ASIC) and the appropriateness of the actions taken to address the matter;
 - 3.1.9.3. Receiving reports from Management on new or proposed law reform or regulatory change and Management’s assessment of the implications and proposed approach to addressing any applicable changes;
 - 3.1.9.4. Reviewing significant correspondence with relevant Regulatory Authorities and receiving reports from Management on the status of our regulatory relationships; and
 - 3.1.9.5. Reviewing and making recommendations to the Board in relation to HUB24 Group compliance policies.
- 3.1.10. Remuneration implications**
- 3.1.10.1. Advising the HUB24 Remuneration and Nomination Committee of any matters that it believes warrants consideration (for example, relating to financial, internal controls, compliance or ethical behaviour outcomes of HUB24 staff) when considering remuneration matters, including short term and long-term staff incentives.

4. COMPOSITION

- 4.1. The ARCC shall comprise at least three (3) Non-Executive Directors of HUB24, the majority of whom shall be independent.
- 4.2. The Board appoints the ARCC Members and the Chair of the ARCC.

- 4.3. The term of appointment of the ARCC Members will coincide with their Board tenure unless the Board determines otherwise.
- 4.4. The Chair of the ARCC will be an independent Director and must not be the Chair of HUB24.
- 4.5. The Chair of the ARCC is responsible for leading the ARCC and overseeing processes for the ARCC's performance in its role in accordance with this Charter.
- 4.6. Members of the ARCC must collectively have the skills, and knowledge of the HUB24 Group and the industry in which it operates, to enable the ARCC to discharge its role and responsibilities effectively and to add value. This includes, for example, being financially literate, having accounting and financial expertise and appropriate knowledge of applicable legislative and regulatory compliance obligations.
- 4.7. At least one Member should have relevant formal qualifications and experience (i.e. be a qualified accountant or other finance professional with experience in financial and accounting matters).
- 4.8. At least one ARCC Member will be a Member of the HUB24 Remuneration and Nomination Committee.

5. INVITEES

- 5.1. The ARCC may invite other people to attend a meeting, consult other people or seek any information considered necessary to fulfil its responsibilities.
- 5.2. All HUB24 Directors have a standing invitation to attend the ARCC meetings.
- 5.3. HUB24's Managing Director, CFO, Chief Risk Officer (**CRO**), General Counsel, representatives of HUB24's External Auditor and representatives of the Internal Auditor will have a standing invitation to attend ARCC meetings.
- 5.4. Non-Committee members, including members of Management, specialists and advisers may attend all or parts of the ARCC meetings at the invitation of the Chair.

6. ARCC MEETINGS

- 6.1. The ARCC will meet at least four (4) times per year or more frequently as required.
- 6.2. The Chair of the ARCC may determine to call an ARCC meeting and will call a meeting if requested by any Member of the ARCC, the External Auditor, any Internal Auditor or the Chair of the HUB24 Board.
- 6.3. A meeting of the ARCC may be held using any technology which permits attendees to hear and be heard by others at the meeting.
- 6.4. Two (2) Members of the ARCC, one of whom must be an independent Non-Executive Director of HUB24, shall constitute a quorum.
- 6.5. A Company Secretary of HUB24 or such other person as is nominated by the Chair of the ARCC shall act as the secretary of the ARCC.
- 6.6. The secretary of the ARCC will circulate the agenda and papers to all ARCC Members within a reasonable time prior to the meeting.
- 6.7. Minutes must be prepared, approved by the Chair and circulated to the Members within a reasonable time of a Committee meeting. The minutes must be ratified and signed by the Chair at the following meeting.
- 6.8. Minutes of Committee meetings will be made available to all Board Directors
- 6.9. All HUB24 Directors will have access to the ARCC papers.
- 6.10. The ARCC will meet periodically and separately with the External Auditor and Internal Auditor without Management being present.
- 6.11. The ARCC may meet periodically and separately meet with such members of HUB24 Management and staff as it regards as appropriate.

7. ACCESS, RELIANCE AND ADVICE

- 7.1. Management is responsible for the preparation, presentation and integrity of information provided to the ARCC.
- 7.2. The ARCC may seek any information it considers appropriate to fulfil its responsibilities.
- 7.3. The ARCC will have unrestricted access to:
 - 7.3.1 Management, employees and contractors and other relevant internal and external parties to seek explanations and information from them so that it may discharge its responsibilities; and
 - 7.3.2 External Auditors and any Internal Auditors to seek explanations and information from them, including without Management being present.
- 7.4. The CFO, CRO, COO, Company Secretary, General Counsel also have free and unrestricted access to the ARCC to provide information.
- 7.5. The ARCC may reasonably engage external specialists and advisers and be provided with sufficient resources to facilitate such engagements in order to assist it discharge its responsibilities under this Charter.
- 7.6. ARCC Members are entitled to rely on information and advice provided by Management on matters within their responsibility and on the expertise of independent experts, as long as they are not aware of any reasonable grounds where such reliance is inappropriate. For the avoidance of doubt, this does not limit the Members' obligation to act in good faith and to independently assess the information or advice provided to them.

8. VOTING

- 8.1. Matters will generally be decided by consensus or, if a consensus cannot be reached, by a majority of votes from the Members present.

9. CONFLICTS OF INTEREST

- 9.1. ARCC Members will be invited to disclose conflicts of interest at the start of each meeting.
- 9.2. Ongoing conflicts of interest need not be disclosed at each meeting once they have been acknowledged. Where Members or invitees are deemed to have a real or perceived conflict of interest, they may be excused from ARCC discussions about the issue.

10. REPORTING TO THE BOARD

- 10.1. The Chair of the ARCC will report on the business of the ARCC meetings to the next Board meeting and will bring forward ARCC recommendations to the Board.

11. PERFORMANCE AND CHARTER REVIEW

- 11.1. The ARCC will review its performance on an annual basis. The review may be conducted as a self-assessment and will be co-ordinated by the Chair. The assessment may seek input from any person. Training needs will be monitored by the Chair.
- 11.2 The ARCC will review this Charter annually to ensure that it remains consistent with the Board's objectives and responsibilities.

Approved by the HUB24 Limited Board 20 June 2024.