

**20 October 2017**

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**This document is important and requires your immediate attention.**

Registered Office: Level 8, 20 Bridge Street, Sydney, New South Wales, Australia 2000.

## **NOTICE OF ANNUAL GENERAL MEETING**

**Notice is hereby given that the Annual General Meeting of the members of HUB24 Limited will be held at The Porter, 1 O'Connell St, Sydney on Monday, 20 November 2017 commencing at 3.00pm (Sydney time).**

**HUB24 LIMITED  
ACN 124 891 685**

**Registered Office: Level 8, 20 Bridge Street, Sydney, New South  
Wales, Australia 2000.**

**Tel: +61 2 8274 6079 Fax: +61 2 9247 6428**

## **NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the Annual General Meeting of the members of HUB24 Limited will be held at The Porter, 1 O'Connell St, Sydney, on Monday, 20 November 2017 commencing at 3.00pm (Sydney time).

### ***Business***

#### **1. FINANCIAL STATEMENTS AND REPORTS**

To receive and consider the Financial Report, the Directors' Report and the Auditor's Report for HUB24 Limited and its controlled entities for the year ended 30 June 2017.

*Note: There is no requirement for the Shareholders to approve these reports.*

#### **2. RESOLUTION 1: REMUNERATION REPORT**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

**"THAT** the Remuneration Report of the Company for the year ended 30 June 2017 be adopted."

*Noting that each director has a personal interest in their own remuneration from the Company as set out in the Remuneration Report, the Board recommends that Shareholders **vote in favour** of this Resolution.*

*Please note:*

- *this resolution is advisory only and does not bind the Company or its directors; and*
- *the directors will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the Meeting when reviewing the Company's remuneration policies.*

#### **3. RESOLUTION 2: RE-ELECTION OF DIRECTOR – VAUGHAN WEBBER**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

**"THAT** Vaughan Webber, a non-executive director of the Company who retires from the office of Director by rotation in accordance with rule 18.5 of the Constitution and ASX Listing Rule 14.4, being eligible and offering himself for re-election, be re-elected as a Director of the Company."

*The Board (excluding Vaughan Webber, who abstains from making a recommendation) recommends that Shareholders **vote in favour** of this Resolution.*

**4. RESOLUTION 3: REFRESH THE CAPITAL RAISING CAPACITY THROUGH SHAREHOLDER RATIFICATION OF PRIOR PLACEMENTS UNDER THE 15% RULE**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

**“THAT** for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Shareholders ratify the prior issue by the Company of 4,256,991 fully paid ordinary shares, on 10 October 2017, to the Former Paragem Security Holders on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting.”

*The Board recommends that Shareholders **vote in favour** of this Resolution.*

**5. RESOLUTION 4: APPROVAL OF EMPLOYEE SHARE OPTION PLAN**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

**“THAT** for the purposes of Exception 9(b) of ASX Listing Rule 7.2, and for all other purposes, approval be given for the existing HUB24 Employee Share Option Plan on the terms detailed in the Explanatory Memorandum and the Company be authorised to continue to issue securities under the HUB24 Employee Share Option Plan.”

*The Board (excluding Andrew Alcock, who abstains from making a recommendation) recommends that Shareholders **vote in favour** of this Resolution.*

**6. RESOLUTION 5: APPROVAL OF ISSUE OF OPTIONS AND PERFORMANCE RIGHTS TO ANDREW ALCOCK**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

**“THAT** for the purposes of ASX Listing Rule 10.14 and for all other purposes, the issue by the Company of 78,077 Options and 23,897 Performance Rights to Andrew Alcock on the terms set out in the Explanatory Memorandum to this Notice of Meeting be approved.”

*The Board (excluding Andrew Alcock, who abstains from making a recommendation) recommends that Shareholders **vote in favour** of this Resolution.*

## Voting Exclusions

### **Voting exclusion statement – Resolution 1 (Remuneration Report):**

The Company will disregard any votes cast on Resolution 1 by:

- a member of the Company's key management personnel (**KMP**) or a closely related party of a KMP;
- persons who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed; and
- any associate of a KMP or of any persons who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed.

However, a vote may be cast by such a person if:

- the vote is cast by that person as a proxy in accordance with a direction by the shareholder as to how that person is to vote on the Resolution; and
- the shareholder who directed that person how to vote is entitled to vote on the Resolution (eg. the shareholder is not a KMP or a closely related party of a KMP),

or

- the voter is the chair of the meeting and the appointment of the Chairman as proxy (by a shareholder who is entitled to vote on the Resolution) does not specify the way the proxy is to vote on the Resolution; and
- the appointment expressly authorises the Chairman to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a KMP.

The Chairman intends to vote undirected proxies (where he has been appropriately authorised) in favour of this Resolution.

### **Voting exclusion statement – Resolution 3 (Refresh of 15% Placement Capacity):**

The Company will disregard any votes cast on Resolution 3 by:

- any Former Paragem Security Holder; and
- any associate of any Former Paragem Security Holder.

However, the Company need not disregard a vote on Resolution 3 if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form to vote as the proxy decides.

The Chairman intends to vote undirected proxies (where he has been appropriately authorised) in favour of this Resolution.

### **Voting exclusion statement – Resolution 4 (Approval of Employee Share Option Plan):**

The Company will disregard any votes cast on Resolution 4 by:

- a director of the Company (except a director who is ineligible to participate in any employee incentive scheme in relation to the Company) and any associate of such a director; and
- a KMP or a closely related party or associate of a KMP.

However, the Company need not disregard a vote on Resolution 4 if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form to vote as the proxy decides.

The Chairman intends to vote undirected proxies (where he has been appropriately authorised) in favour of this Resolution.

### **Voting exclusion statement – Resolution 5 (Issue of Options and Performance Rights to Andrew Alcock):**

The Company will disregard any votes cast on Resolution 5 by:

- Mr. Andrew Alcock;
- any associate of Mr. Andrew Alcock; and
- by a KMP or a closely related party of a KMP, as a proxy.

However, the Company need not disregard a vote on Resolution 5 if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with an express authorisation on the Proxy Form.

### **Explanatory Memorandum**

Shareholders are referred to the Explanatory Memorandum accompanying and forming part of this Notice of Meeting.

### **Entitlement To Vote**

It has been determined (in accordance with section 1074E(2)(g)(i) of the Corporations Act and regulation 7.11.37 of the Corporations Regulations) that for the purposes of the Meeting, Shares will be taken to be held by the persons who are the registered Shareholders of the Company at 7.00 p.m. (Sydney time) on Saturday, 18 November 2017. Accordingly, Share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

### **Voting by Proxy**

Sections 250BB and 250BC of the Corporations Act apply to voting by proxy. Shareholders and their proxies should be aware of the requirements under the Corporations Act, as they will apply to this meeting. Broadly:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

You should seek professional advice if you need any further information on this issue.

In accordance with section 249L of the Corporations Act, members are advised of the following:

- a Shareholder entitled to attend and vote has a right to appoint a proxy to attend and vote instead of the Shareholder. A proxy need not be a Shareholder and can be either an individual or a representative of a body corporate;
- a proxy need not vote on a show of hands, however if a proxy does vote on a show of hands, the proxy must vote as directed;
- a Shareholder that is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half of the Shareholder's votes. If a Shareholder appoints two or more proxies that specify different ways to vote on a resolution, neither proxy may vote on a show of hands; and

- if an appointed proxy is not also the Chairman of the Meeting, the proxy need not vote on a poll, however if the proxy does vote on a poll the proxy must vote as directed by the Shareholder. If a poll is conducted and the proxy holder does not vote, the proxy appointment defaults to the Chairman of the Meeting to vote as directed. If the appointed proxy is the Chairman of the Meeting, the proxy must vote on a poll in the manner directed by the Shareholder.

A Proxy Form accompanies this Notice and to be effective must be received at least 48 hours before the appointed time of the Meeting (ie. before 3.00pm (Sydney time) on Saturday, 18 November 2017) at the Company's corporate registry:

By Post            HUB24 Limited  
                      c/- Link Market Services Limited  
                      Locked Bag A14  
                      Sydney South NSW 1235

By Hand            Link Market Services Limited  
                      1A Homebush Drive, Rhodes NSW 2138, or  
                      Level 12, 680 George Street, Sydney NSW 2000

By Facsimile    +61 2 9287 0309

### **Voting By Attorney**

A Shareholder may appoint an attorney to vote on his or her behalf. For an appointment to be effective for the Meeting, the instrument effecting the appointment (or a certified copy of it) must be received by the Company at its registered office or at the Company's corporate registry listed above, at least 48 hours before the Meeting (ie. before 3.00pm (Sydney time) on Saturday, 18 November 2017).

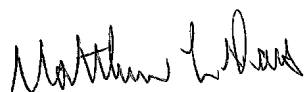
### **Corporate Representatives**

A body corporate which is a Shareholder, or which has been appointed as a proxy, may appoint an individual to act as its representative at the Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which it is signed, unless it has previously been given to the Company.

### **Scrutineer**

The Company's registrar, Link Market Services Limited will act as scrutineer for any polls that may be required at the Meeting.

### **By Order of the Board**



Matthew Haes  
Company Secretary  
20 October 2017

# HUB24 LIMITED

## ANNUAL GENERAL MEETING

### EXPLANATORY MEMORANDUM

#### INTRODUCTION

This Explanatory Memorandum forms part of this Notice of Meeting and has been prepared to provide Shareholders of the Company with sufficient information to consider the Resolutions contained in the accompanying Notice of Annual General Meeting of the Company to be held on Monday, 20 November 2017 commencing at 3.00pm (Sydney time) at The Porter, 1 O'Connell St, New South Wales, Australia.

The Board recommends that Shareholders read this Explanatory Memorandum carefully and in its entirety before making any decision in relation to the Resolutions.

#### Resolution 1: Remuneration Report

Shareholders are asked to adopt the Company's Remuneration Report. The Remuneration Report is in the 2017 Annual Report and is also available on the Company's website at [www.hub24.com.au](http://www.hub24.com.au). The Remuneration Report:

- describes the policies behind and structure of the remuneration arrangements of the Company and the link between the remuneration of employees and the Company's performance;
- sets out the remuneration arrangements in place for each director and for specified senior executives of the Company; and
- explains the differences between the bases for remunerating non-executive directors and executives, including any executive directors.

The Company recently reviewed its remuneration practices and the changes that resulted from that review are reflected in both FY17 and FY18 remuneration.

Importantly, during FY16, the Company engaged the services of a specialist remuneration consultancy firm to provide independent advice on the Company's remuneration structure, including any re-structuring that was regarded necessary to better achieve the remuneration principles referred to in the Company's Remuneration Report. The Board sought advice in relation to Fixed Remuneration, Short Term Incentives (STI) and Long Term Incentives (LTI) in relation to the KMP and to meet the needs of the Company. The advice was taken into consideration in a re-structuring of the remuneration for KMP in FY17 and FY18, and consistency of approach has been maintained.

The Board and its Remuneration and Nomination Committee approved revised incentive arrangements for Mr. Alcock and other KMP with a view to strengthening alignment between executives and Shareholders. This review included benchmarking executive remuneration against a core comparator group of companies and ensuring the design and operation of the Company's STIs and LTIs are in line with market expectations.

Following the advice provided and after consideration by the Remuneration and Nomination Committee as well as the Board, the Board implemented a Performance Award Right (PAR) component, in conjunction with the Company's existing HUB24 Employee Share Option Plan (previously called the Investorfirst Employee Share Option Plan) (Plan), which was approved by Shareholders at the Annual General Meeting of the Company on 29 November 2016.



The following table summarises the key outcomes following the advice and determination made by the Board including changes to the remuneration structure.

Incentive type	Incentive feature	Changes
Fixed Remuneration	<ul style="list-style-type: none"> <li>FY17 and FY18 amounts</li> </ul>	<ul style="list-style-type: none"> <li>Adjustment to reflect findings from comparator benchmarking by the independent adviser</li> </ul>
STI	<ul style="list-style-type: none"> <li>Structure</li> <li>Balance between STIs and LTIs</li> <li>STI claw-back</li> <li>STI deferral</li> </ul>	<ul style="list-style-type: none"> <li>The STI has a base weighting of 50% and a stretch weighting of a further 50% on the KMPs potential STI.</li> <li>Up to 50% of the STI may be paid by way of issue of Shares in the Company at the election of the executive, subject to agreement by the Board.</li> <li>For both FY17 and FY18, the Managing Director elected to reduce the STI incentive to a maximum of 75% of Fixed Remuneration and LTI incentive increased to 75% of Fixed Remuneration to better align remuneration with longer term shareholder value.</li> <li>A claw-back on STIs earned was introduced in certain events such as fraud and governance failures by the relevant KMP.</li> <li>50% of KMP STIs are deferred for six months to better align with market practice.</li> </ul>
LTI	<ul style="list-style-type: none"> <li>Structure</li> <li>LTI claw-back/cancellation</li> <li>Hurdles</li> </ul>	<ul style="list-style-type: none"> <li>Introduction of PARs, for KMP eligible for LTIs comprising 50% PARs and 50% Options coupled with a reset of expectations with KMP regarding a focus on a growing shareholder value via the revised hurdles (see below).</li> <li>Variation of existing option terms with an approval process for enabling KMP to sell Shares to fund the exercise price.</li> <li>A claw-back on LTIs vested was introduced in certain events such as fraud and governance failures by the relevant KMP.</li> <li>The LTI terms have been structured to improve the ability of the Company to clawback LTI incentives on departure of the relevant KMP.</li> <li>Two hurdles were applied to better align LTIs with longer term shareholder value (allocated 50/50 as between the hurdles).</li> <li>Performance Condition #1, up to 50% vesting of Options and PARs based on a Compound Annual Growth Rate ("CAGR") in FUA growth over three years - for FY18 with a minimum increase of 25.88% p.a. up to 33.09% p.a for full vesting, (135.7% over three years or \$13b in FUA).</li> <li>Performance Condition #2, up to 50% vesting of Options and PARs based on Absolute Total Shareholder Return ("ATSR") improvement over</li> </ul>

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	<ul style="list-style-type: none"> <li>• Change of control</li> </ul>	<p>three years - for FY18 commencing at a minimum of 12.5% p.a. (\$10.09) to a maximum of 17.5% p.a (\$11.50) for full vesting.</p> <ul style="list-style-type: none"> <li>• Upon a change of control event, the LTI awards vest on a pro rata period of time basis only. The Board has discretion to make the full grant of Options or PARs vest upon a change of control event whereas for prior grants full vesting occurs.</li> </ul>
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Overall, the expectation of LTIs for executives has been reset based on benchmarking, overall compensation assessments and a growing shareholder value. For instance the option grants for the Managing Director have been 600,000 Options in FY14, 200,000 Options in FY15, 150,000 in FY16, 106,464 Options and 34,851 PARs in FY17 and the proposed 78,077 Options and 23,897 PARs for FY18 (noting that the Managing Director has elected for the FY17 and FY18 that his STI will decrease from 100% of Fixed Remuneration to 75%, in exchange for that amount added to the LTI program).

The Corporations Act requires the agenda for an Annual General Meeting to include a resolution that the Remuneration Report be put to the vote. Should 25% or more of the votes cast on this Resolution (in person or by proxy) to approve the Remuneration Report be against approval of that report, then at the 2018 Annual General Meeting the resolution to approve next year's Remuneration Report must be approved by 75% or more of the votes cast to avoid a resolution being put to the 2018 Annual General Meeting to consider a spill of the Board.

A reasonable opportunity for discussion of, and comment on, the Remuneration Report will be provided by the Chairman at the Annual General Meeting.

Noting that each Director has a personal interest in their own remuneration from the Company as set out in the Remuneration Report, the Board recommends that Shareholders **vote in favour** of Resolution 1 to adopt the Remuneration Report.

### **Resolution 2: Re-election of Director – Vaughan Webber**

Pursuant to rule 18.5 of the Constitution, retiring director Vaughan Webber being eligible to do so, has offered himself for re-election. Mr. Webber, a non-executive director of the Company, was last elected by Shareholders at the Company's annual general meeting held on 27 November 2014.

This Resolution seeks Shareholder approval of the re-election of Mr. Webber.

### **Profile of Vaughan Webber**

Mr. Webber is an experienced finance professional with a background in chartered accounting at a major international accountancy firm. Recently, Vaughan has had extensive financial public markets experience, having spent over 15 years in corporate finance at leading Australian mid-sized stockbrokers focussing on creating, funding and executing strategies for mid to small cap ASX listed companies. Vaughan also has experience as a director with ASX listed public companies and is currently non-executive director of Anchor Resources Limited. Vaughan has a Bachelor Degree in Economics.

Vaughan was appointed to the Company's Board on 19 October 2012 and is the Chairman of the Audit, Risk and Compliance Committee.

The Board (excluding Vaughan Webber, who abstains from making a recommendation) recommends supporting the re-election of Vaughan Webber and recommends that Shareholders **vote in favour** of Resolution 2.

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### **Resolution 3: Refresh the capital raising capacity through shareholder ratification of placement under the 15% rule**

ASX Listing Rule 7.1 provides that, subject to specified exceptions, shareholder approval is required for any issue of, or agreement to issue, equity securities during any twelve month period if the number of securities to be issued exceeds 15% of the number of ordinary securities on issue at the commencement of that twelve month period.

One circumstance where an issue of equity securities is not taken into account in the calculation of this 15% limit is where the issue is approved by shareholders at a general meeting.

ASX Listing Rule 7.4 provides that, where a company's shareholders ratify a previous issue of securities made without approval under ASX Listing Rule 7.1 (provided that the previous issue did not breach ASX Listing Rule 7.1), those securities will be deemed to have been issued with shareholder approval for the purposes of ASX Listing Rule 7.1.

On 10 October 2017, the Company issued a total of 4,256,991 fully paid ordinary shares to the Former Paragem Security Holders. The issue of shares to the Former Paragem Security Holders constituted the final payment of consideration in connection with the Company's acquisition of all of the shares in Paragem in 2014. Accordingly, there were no funds raised from the issue of those shares. The shares issued to the Former Paragem Security Holders rank equally with all other existing ordinary shares on issue and none of these shares were issued to related parties of the Company.

Shareholder approval to the issue of shares under the placement was not required (and was not obtained) under ASX Listing Rule 7.1 as it did not constitute more than 15% of the Company's shares.

Resolution 3 therefore seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the prior issue of the 4,256,991 shares issued on 10 October 2017. Though Shareholder approval was not sought for the share issue under ASX Listing Rule 7.1, as a result of the placement, the Company's placement capacity until 10 October 2018 will be around 5.5% only. Accordingly, by seeking approval under ASX Listing Rule 7.4 for a prior issue of securities, the Company 'refreshes' its ability under ASX Listing Rule 7.1 to issue up to 15% of its issued capital within the next twelve months without the requirement to obtain further Shareholder approval under ASX Listing Rule 7.1.

The Directors believe that it is important for, and in the best interests of, the Company to have the ability to issue closer to the maximum number of securities under ASX Listing Rule 7.1 as it enables the Company the flexibility to move quickly and efficiently to undertake fundraising when necessary.

The Board recommends that Shareholders **vote in favour** of Resolution 3.

### **Resolution 4: Approval of the HUB24 Employee Share Option Plan**

The Company first adopted, and Shareholders first approved, an employee share option plan at its Annual General Meeting in November 2011, now known as the HUB24 Share Option Plan (previously called the Investorfirst Employee Share Option Plan) (**Plan**). The Shareholders again approved the Plan at the 2014 Annual General Meeting.

Pursuant to the Plan, the Company can issue Options over Shares to eligible employees, contractors and salaried executive directors of the Company (**Eligible Persons**) to provide them with incentive to deliver growth and value to Shareholders, and provide the Company with the ability to attract and retain such people.

A summary of the principal terms of the Plan is set out in Annexure A to this Explanatory Statement. A complete copy of the Plan is available by calling the Company Secretary on 02 8274 6079. The Company confirms that these terms have not changed since the previous approval granted by Shareholders at the 2014 Annual General Meeting.

Under ASX Listing Rule 7.1, companies are generally restricted from issuing more than 15% of their issued share capital in any 12 month period without shareholder approval. There are a number of exceptions to this restriction, including Exception 9(b) of ASX Listing Rule 7.2, which applies when there is an issue of securities under an employee incentive scheme if, within 3 years before the date of issue, holders of ordinary securities have approved the issue of securities under the scheme as an exception to ASX Listing Rule 7.1. Since the Shareholders resolved to approve the Plan at the 2014 Annual General Meeting of the Company, a total of 2,488,639 Options have been issued under the Plan, subject to restrictions on vesting and exercise, of which 10,000 Options have since lapsed.

As three years have passed since the previous approval granted by Shareholders at the 2014 Annual General Meeting, Shareholder approval of the Plan and issue of Options to Eligible Persons under the Plan is again sought from Shareholders. If approval is given, Options issued under the Plan in the next three years will be exempt from counting towards the 15% limit on the Company issuing securities in any 12 month period without Shareholder approval.

The Board (excluding Andrew Alcock, who abstains from making a recommendation) recommends that Shareholders **vote in favour** of Resolution 4 to again approve the existing HUB24 Share Option Plan and the issue of securities pursuant to the Plan.

#### **Resolution 5: Approval of issue of Options and Performance Rights to Andrew Alcock**

Resolution 5 seeks approval, for the purposes of ASX Listing Rule 10.14, and for all other purposes, of the grant of 78,077 Options and 23,897 Performance Rights in FY18 to the Managing Director, Mr. Andrew Alcock, under the terms and conditions set out in this Notice of Meeting and the HUB24 Share Option Plan and the HUB24 Performance Rights Plan (together, the HUB24 LTI Plans).

A summary of the principal terms of the grant of Options and Performance Rights is set out in Annexure B to this Explanatory Statement.

#### **Background**

The Board has set Mr. Alcock's remuneration package for FY18 to include the grant of Performance Rights and Options under the HUB24 LTI Plans contingent upon the achievement of performance goals aligned with the continued growth of the HUB24 business and shareholder value. This is consistent with the structure of Mr. Alcock's remuneration package for FY17 that was approved by Shareholders at last year's Annual General Meeting and the remuneration of other key executives which has already been approved by the Board on similar terms as proposed in this resolution for Mr. Alcock.

The Company is seeking approval for the grant of Performance Rights and Options to Mr. Alcock in accordance with the ASX Listing Rules.

The Board aims to consistently align the remuneration of all executives participating in the Company's long term incentive arrangements with similar terms and performance measures which are reviewed annually. If Shareholder approval is obtained, the Performance Rights and Options will be granted to Mr. Alcock within 30 days of Shareholder approval, in any case no later than 12 months after the meeting.

The details of any security issued under the HUB24 LTI Plans will be published in the annual report of the Company relating to a period in which securities have been issued, and a statement that approval for the issue of securities was obtained under ASX Listing Rule 10.14.

#### **Key features of the grant**

A brief overview of the details of the proposed grant of Options and Performance Rights to Mr. Alcock is set out below.

## Amount of grant

In accordance with the remuneration arrangements approved by the Board of the Company for FY18, Mr. Alcock is entitled to the grant of securities under the HUB24 LTI Plans with a value based upon 75% of his then current total fixed remuneration.

## Types of LTI to be granted

The FY18 grant of a long term incentive to Mr. Alcock is made up of 50% Performance Rights and 50% Options.

Each Performance Right and Option provides an entitlement to one Share, subject to achievement of performance hurdles. No consideration will be payable for the Options or Performance Rights, however, an exercise price will be payable for exercising any Options. No exercise price will be payable in respect of the conversion of vested Performance Rights into new Shares.

As there is no consideration payable by Mr. Alcock for the grant of Options and Performance Rights to him, there is no loan being provided to acquire these Options and Performance Rights.

## Determining the number of Performance Rights and Options to be allocated

The number of Performance Rights and Options issued will be determined by dividing the entitlement by the value of an Option or Performance Right.

- For the purpose of calculating the number of Performance Rights to be issued, the maximum value of LTI to be awarded in Performance Rights will be divided by the face value of the Share to which a vested Performance Right will convert into. The face value is based on the volume weighted average price (VWAP) of HUB24 shares traded on ASX in the 20 trading days prior to 2 October 2017, which VWAP is \$7.09.
- For the purpose of calculating the number of Options to be issued, the maximum value of LTI to be awarded in Options will be divided by the Option value determined by the Monte Carlo simulation methodology which is a value of \$2.17.
- The exercise price is determined with reference to the 20 trading day VWAP for HUB24 shares in the 20 trading days prior to 2 October 2017. The exercise price of each Option based on this calculation is \$2.17.

On this basis, Shareholder approval is sought for the grant of 78,077 Options and 23,897 Performance Rights in FY18 to Mr. Andrew Alcock.

## Conditions of vesting – performance conditions & performance periods

For Mr. Alcock, vesting of the FY18 grant of Options and Performance Rights is subject to two performance conditions that the Board considers both challenging and aligned to growing the long term value of HUB24.

Each performance condition will be applied separately to the Options and Performance Rights as follows:

- 50% of the Options and 50% of the Performance Rights are subject to the 'First Performance Condition' (PC1); and
- 50% of the Options and 50% of the Performance Rights are subject to the 'Second Performance Condition' (PC2).

The performance conditions are as follows:

1. *PC1 – Growth in Funds Under Administration (FUA) – 'First Performance Condition'*

HUB24 competes in an environment where scale with appropriate margins is a key driver of business growth and profitability. Accordingly, the Board, working with its advisers, considers that at this stage of its development, a performance condition measuring the compound annual growth (CAGR) in FUA over the next three years is an effective way to incentivise Mr. Alcock to profitably build HUB24's market share and with it, shareholder value.

For the performance period from 1 July 2017 to 30 June 2020, the Board has calibrated the vesting of the Managing Director's Options and Performance Rights to the CAGR in FUA as follows:

- zero vesting will occur if the CAGR in FUA was below a minimum level of 25.88% per annum (99.5% over three years);
- 50% vesting will occur if the CAGR in FUA reaches 29.58% per annum (117.6% over three years representing approximately \$12 billion);
- 100% vesting will occur if the CAGR in FUA reaches 33.09% per annum (135.7% over three years representing approximately \$13 billion) or more; and
- vesting between 25.88% and 33.09% per annum CAGR in FUA will be on a straight-line basis between these two levels (\$11b to \$13b in FUA).

By way of example, if the CAGR in FUA over the testing period is 30% per annum then 55.82% vesting of PC1 Options and Performance Rights will occur.

In measuring the achievement of PC1, the Board reserves the right at its discretion, to reduce by up to 50%, the number of Performance Rights and Options vesting under PC1 if the FUA growth was achieved on commercial terms materially less favourable to HUB24 than terms generally offered in the normal course of business unless such commercial terms were approved by the Board. The Board will exercise such discretion in a manner consistent with protecting HUB24's long term stability, sound risk management and aligned with the creation of long-term shareholder value.

## 2. *PC2 – Absolute Total Shareholder Return (ATSR) – 'Second Performance Condition'*

The Board believes that an absolute rather than relative Total Shareholder Return (TSR) is the most appropriate way to measure the success in implementing HUB24's long term strategic objectives. The absolute TSR performance (ATSR) threshold is positioned at what the Board considers a challenging CAGR hurdle of 12.5% to 17.5% over three years, significantly above the 20 year average returns on Australian equities of 8.7% reported in the 2016 Russell Investments / ASX Long term Investing report. This will ensure that LTI vesting is directly linked to superior returns achieved for Shareholders.

The vesting of PC2 (ATSR) is calibrated as follows:

- 25% vesting of PC2 Options and Performance Rights occurs when a threshold vesting of 12.5% ATSR compounded annually is achieved;
- 100% vesting of PC2 Options and Performance Rights occurs when a threshold vesting of 17.5% ATSR compounded annually is achieved; and
- vesting between 12.5% and 17.5% ATSR will be on a straight-line basis between these two levels.

By way of example, if a CAGR of 14% per annum ATSR is achieved over the testing period then 47.5% vesting of PC2 Options and Performance Rights will occur.

The determination of the ATSR thresholds will be based upon the 20 trading day VWAP for HUB24 shares prior to 2 October 2017. The 20 trading day VWAP for Shares up to that date (ie. 2 October 2017) was \$7.09, therefore (in the absence of any dividends) the 12.5% threshold is \$10.09 and the 17.5% threshold is \$11.50 when tested over a three year period, or \$11.36 and \$13.51 respectively when tested over a four year period.

The determination of ATSR achieved over the performance period will be based on the 40 trading day VWAP of HUB24 shares traded on ASX immediately following the release of HUB24's full-year results for the relevant prior fiscal year. In circumstances where the ASX200 falls by greater than 5% during a 40 trading day test period, the testing period will recommence after the period the greater than 5% fall was recorded. The use of a 40 trading day VWAP in the calculation of the end price for ATSR performance testing avoids any abnormal daily share price movements that could advantage or disadvantage employees.

The PC2 hurdles will be tested over a cumulative three year period to the test date on the 40th trading day following the release of the Company's financial results for the year ended 30 June 2020, subject to the above. If required, any unvested Options or Performance Rights from that three year test will be retested against the above CAGR ATSR hurdles over the cumulative four year period to 40 trading days from the date of release of the Company's financial results for the year ended 30 June 2021 (Last Testing Date). Any Options or Performance Rights not meeting this four year hurdle will lapse and be cancelled.

As noted above, the Board has set what it considers to be a high ATSR threshold hurdle applicable to the FY18 grant. The additional testing after 30 June 2020 acknowledges this challenge and is applied to ensure that the Managing Director is motivated to deliver strong performance over a longer term period. The Board intends to consider value adding growth opportunities as they arise, but also recognises that certain investments may need time to develop, execute and fully realise their full potential. The provision also allows for the possibility that market dynamics and factors outside management control may result in HUB24's share price at the end of the three year performance period not reflecting actual business success in which case the Board may, in its discretion, allow a further 12 months before testing of unvested Options and Performance Rights.

Any Performance Rights and Options that have not vested after the Last Testing Date (as defined above), ie. in 2021, will lapse.

#### **Exercise of vested Performance Rights and Options**

Upon vesting of Performance Rights, Mr. Alcock may choose to exercise, no later than the earlier of termination of employment and 15 years from the time the Performance Rights were granted, one right for each Share, with the Shares being either issued or purchased on market.

Upon vesting of Options, Mr. Alcock may (subject to continued employment), by payment of the exercise price for each Option at any time up until 30 November 2022, be allocated one HUB24 share for each option exercised, with the Shares being either issued or purchased on market. The exercise price will be the VWAP of a HUB24 share determined in the first 20 trading days prior to 2 October 2017 (ie. \$7.09).

#### **Restrictions on share trading**

Mr. Alcock will be restricted from selling or transferring any Options within 12 months of grant, or any Shares acquired by exercising vested Options or Performance Rights during the period of 12 months from the date of exercise of the Options or Performance Rights, unless the proposed sale of Shares is for the purpose of funding the exercise price of the Options or to meet tax obligations arising from the Options or Shares.

Further, Performance Rights are not transferable unless otherwise approved by the Board.

The exercise or disposal of vested shares is also subject to HUB24's Share Trading Policy and trading windows.

#### **LTI benefits on termination**

The Options and Performance Rights are subject to forfeiture on termination of Mr. Alcock's employment by Mr. Alcock. If, however, his employment ends by reason of death or becoming (in the Board's view) totally and permanently disabled, or by way of termination by the Company for reasons other than a breach of the performance standards as set out in Mr Alcock's employment contract, or

the occurrence of such other event as the Board determines, Mr. Alcock's Options and Performance Rights will not be forfeited in these circumstances.

Upon a change of control (CIC) event, the LTI awards vest on a pro rata period of time basis only. The Board has discretion to make the full grant of Options / Performance Rights vest upon a CIC event.

The Board has the discretion to determine that any LTI benefit payable in the above termination circumstances can be settled in cash based on the number of Shares vested multiplied by the 20 trading day closing market price (VWAP) of HUB24 shares immediately prior to such payment.

#### **Clawbacks & forfeiture**

The Board in its sole discretion may determine that all, or part, of any unvested incentive awards be forfeited in the following circumstances, or other circumstances the Board determines to be similar to the following:

- a material misstatement or omission in the financial statements of HUB24;
- if Mr. Alcock's actions or inactions seriously damage the reputation of the HUB24 Group or put HUB24 at significant risk; and/or
- a material abnormal occurrence results in an unintended vesting or increase in the award.

#### **No dividends**

Dividends, if any, will not be paid on unvested Performance Rights or Options.

Mr. Andrew Alcock is the only executive Director. No other Directors, or any of their associates, have received any securities under the HUB24 LTI Plans. No non-executive Directors of the Company, or any of their associates, are entitled to participate in the HUB24 LTI Plans.

#### **Recommendation**

The Board (excluding Andrew Alcock, who abstains from making a recommendation) recommends that Shareholders **vote in favour** of Resolution 5.



## GLOSSARY

**\$** means Australian Dollars.

**Annual General Meeting** or **Meeting** means the meeting convened by the Notice.

**ASX** means ASX Limited.

**ASX Listing Rules** means the Listing Rules of ASX.

**ATSR** means Absolute Total Shareholder Return.

**Board** means the current board of directors of the Company.

**Business Day** means a day that is not a Saturday, Sunday, public holiday or bank holiday in Sydney, Australia.

**CAGR** means compound annual growth rate.

**CIC** means change of control.

**closely related party** has the meaning as defined in section 9 of the Corporations Act.

**Company** means HUB24 Limited ACN 124 891 685.

**Constitution** means the Company's Constitution.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Corporations Regulations** means the Corporations Regulations 2001 (Cth) made under the Corporations Act.

**Directors** means the directors of the Company.

**Eligible Persons** means employees, contractors and salaried executive directors of the Company who are eligible to participate in the Plan.

**Explanatory Memorandum** means the Explanatory Memorandum accompanying the Notice.

**Former Paragem Security Holders** means former shareholders or option holders of Paragem.

**FUA** means funds under administration.

**FY** means financial year.

**Group** means the Company and each of its wholly owned subsidiaries.

**Key Management Personnel** or **KMP** has the meaning as defined in section 9 of the Corporations Act.

**LTI** means long term incentives.

**LTI Plans** means the HUB24 Share Option Plan and the HUB24 Performance Rights Plan.

**Notice** or **Notice of Meeting** or **Notice of Annual General Meeting** means this notice of annual general meeting and the explanatory notes accompanying the Notice and the Proxy Form.

**Option** means an option to acquire a Share.

**PAR** means performance award right.

**Paragem** means Paragem Pty Ltd ACN 108 571 875.

**Performance Right** means a performance right over a Share.

**Plan** means the HUB24 Share Option Plan, previously approved by Shareholders at the 2011 and 2014 Annual General Meetings.

**Proxy Form** means the proxy form accompanying the Notice.

**Remuneration Report** means the remuneration report set out in the Company's 2017 Annual Report.

**Resolutions** means the resolutions set out in the Notice, or any one of them, as the context requires.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of a Share.

**STI** means short term incentives.

**TSR** means Total Shareholder Return.

**Volume Weighted Average Price** or **VWAP** means the volume weighted average price of shares traded on ASX determined by dividing the dollar value of shares traded on ASX by the total number of shares traded over the same period.

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## ANNEXURE A

### SUMMARY OF THE PRINCIPAL TERMS OF THE HUB24 SHARE OPTION PLAN

A summary of the principal terms of the existing HUB24 Share Option Plan (**Plan**) is set out below:

1. Under the Plan, the Board may in its discretion invite any of the following persons to participate in the Plan:
  - (a) an employee of the Company or any of its subsidiaries;
  - (b) any independent contractor engaged by the Company (or any of its subsidiaries) and whom the Board has determined is an eligible person to participate in this Plan provided such determination is not contrary to section 83A-325 of the *Income Tax Assessment Act 1997* (Cth) (**Tax Act**) or causes this Plan to cease to be an employee share scheme under the Tax Act or to qualify for class order relief referred to in clause 1.4(c) of the Plan; or
  - (c) a salaried director of the Company or any of its subsidiaries,(each an **Eligible Person**).
2. The number of Shares which may be issued to Eligible Persons (including as a result of the exercise of Options) when aggregated with the number of shares in the same class issued during the previous 5 years pursuant to all employee share schemes or employee share option schemes established by the Company must not exceed 5% of the total number of issued shares in that class of shares on issue as at the time of the relevant offer. If following the date the Plan is adopted, the Australian Securities and Investments Commission specifies a different maximum limit for an employee share ownership plan to be eligible for class order relief, the Board may take such actions to vary the terms of the Plan as it sees fit in order to comply with that requirement.
3. An Eligible Person who is invited to participate in the Plan may accept the invitation and apply for Options under the Plan up to the number specified in the invitation. The Company may permit an Eligible Person to nominate an associate (as defined in the Tax Act) to be issued the securities in his or her place.
4. Options may be offered for acquisition and acquired by or for the benefit of a person under the Plan for no consideration or at such price or for such other consideration to be paid or otherwise provided at such times and on such terms as the Board may determine at or before the time of acquisition of the Options.
5. The exercise price of any Options offered or issued under the Plan (i.e. the price payable to exercise the Options), any restrictions as to the exercise of any Options, any restrictions as to the disposal or encumbrance of any Options or Shares acquired as a result of exercising any Options, and the expiry date of the Options (i.e. the last date on which they can be exercised) may be determined by the Board at or before the time of issue of the Options.
6. The Company may require that any securities acquired under the Plan are acquired and/or subject to such additional restrictions and other terms as to their sale, transfer or other disposal, or mortgage, charge or other encumbrance as the Board may determine at or before the time of acquisition.
7. Any vesting condition placed on the Options before the holder can exercise those Options will be set out in the invitation letter or certificate for the Option. Any restriction as to the disposal of any securities will cease to apply where prior to the date that any vesting condition relating to the securities are satisfied, there is an acquisition by a person or entity (directly or indirectly) of not less than 90% of the issued shares of the Company, whether by private treaty, takeover or a members scheme of arrangement in accordance with the Corporations Act.

8. Shares issued under the Plan pursuant to the exercise of Options will rank for dividends from the date they are issued and will otherwise rank pari passu with all other shares then on issue.
9. If shares are quoted on the financial market of ASX, the Company must apply for quotation on the financial market of ASX of all shares issued under the Plan within the time limit prescribed by the ASX Listing Rules unless quotation of any shares under the Plan is not required under the ASX Listing Rules in which case the Company will not need to apply for quotation of those shares until such time as quotation may subsequently be required.
10. Each Option entitles the holder, on exercise, to one fully paid ordinary share in the Company.
11. No Eligible Person may accept an offer to participate or continue to participate in this Plan if at the time of acceptance, he or she owns, has an interest in or controls 5% or more of the issued capital of the Company (including as a result of the exercise of any Options granted under the Plan).
12. Although salaried or executive directors are eligible to be offered Options under the Plan, this would first require specific shareholder approval under the ASX Listing Rules and potentially the Corporations Act.
13. Unless the Board determines otherwise, any rights to any security granted under or pursuant to the Plan to an Eligible Person which have not been exercised (having satisfied all relevant vesting conditions) will automatically lapse and be forfeited where the Eligible Person suffers or incurs one of the following disqualifying events:
- (a) the Eligible Person being charged with a criminal offence or being found guilty of theft, fraud or defalcation in relation to any body corporate of the Company or any of its subsidiaries (**Group**);
  - (b) dismissal of the Eligible Person for cause by the Group or the Eligible Person ceasing to be employed or engaged by the Group other than in circumstances where the Eligible Person is a Good Leaver (i.e. the Eligible Person ceasing to be an Eligible Person by reason of:
    - (i) their death or becoming, in the Board's view, totally and permanently disabled;
    - (ii) attaining the statutory age of retirement;
    - (iii) the engagement of the Eligible Person coming to an end by reason of the effluxion of time, but excluding any termination of the engagement by the Eligible Person before the end of the term of that engagement; or
    - (iv) such other event as the Board determines;
  - (c) the Eligible Person bringing a body corporate in the Group into disrepute in the reasonable opinion of the Board;
  - (d) the Eligible Person becoming insolvent or bankrupt or otherwise being unable to pay his or her debts when due; or
  - (e) the transferring, mortgaging, charging, assigning or otherwise encumbering by the Eligible Person, or the Eligible Person attempting to transfer, mortgage, charge, assign or otherwise encumber any right or interest the Eligible Person may have in a security otherwise than in accordance with the Plan,

(each a **Disqualifying Event**).

14. The exercise of Options that have vested may only take place during exercise periods consistent with the Company's Share Trading policy (and accordingly Eligible Persons are excluded from exercising Options during a blackout period under that policy) unless otherwise provided in the invitation letter or nominated by the Board in writing.
15. No Options may be exercised, and the Company is not required to issue any Shares underlying any Options unless and until the vesting conditions for the Options have been met to the Board's satisfaction.
16. In accordance with ASX Listing Rule 6.16, Options issued under the Plan provide for the rights of a holder of Options to be changed to comply with those ASX Listing Rules that apply to a reorganisation of capital at the time of the reorganisation.
17. Option holders will only be entitled to participate in new issues if they have exercised their Options. The exercise price of the Options may be varied in relation to any pro-rata issues in accordance with the terms set out in the Plan which reflect ASX Listing Rule 6.22.
18. If there is a conversion of shares into a smaller or larger number there will be corresponding adjustment to the number of Options on issue and the exercise price will be adjusted in inverse proportion to that conversion.
19. If there is a pro-rata cancellation of shares, the number of Options will be reduced by a corresponding ratio and the exercise price will also be adjusted in inverse proportion to that ratio.
20. In the event there are any other types of capital reorganisation the number of Options or the exercise price of the Options or both will be reorganised in such a way that the Board considers necessary to ensure that the holders of Options do not receive a benefit that the holders of shares do not.
21. Options issued under the Plan may be transferred at the discretion of the directors and the Company may suspend the registration of a transfer for any period not exceeding 30 days.

## ANNEXURE B

### SUMMARY OF KEY TERMS OF OPTIONS AND PERFORMANCE RIGHTS PROPOSED TO BE ISSUED TO ANDREW ALCOCK (RESOLUTION 5)

Term	Options	Performance Rights
Total number granted	78,077 Options, each of which entitles the holder to subscribe for one Share on and subject to the terms of the Options.	23,897 Performance Rights, each of which entitles the holder to be issued one Share on and subject to the terms of the Performance Rights.
Issue date	Within 30 days of the date of the Annual General Meeting.	
Issue price	No amount is payable for issue of the Options or Performance Rights.	
Quotation	The Options and Performance Rights will not be quoted on ASX or any other exchange.	
Exercise price	The exercise price of the Options will be a price equal to the volume weighted average closing price of the Company's shares traded on ASX prior to 2 October 2017, being \$7.09 ( <b>Exercise Price</b> ).	No exercise price will be payable in respect of the conversion of vested Performance Rights into Shares.
Expiry date	The expiry date of the Options is 5 years after the date of issue. The expiry date for the Performance Rights is 15 years after the date of issue.	
Termination	Subject to the following, the Options and Performance Rights are subject to forfeiture on termination of Mr. Alcock's employment by Mr. Alcock. If however Mr. Alcock's employment ends by reason of death or becoming (in the Board's view) totally and permanently disabled, or by way of termination by the Company for reasons other than a breach of the performance standards as set out in Mr Alcock's employment contract, or the occurrence of such other event as the Board determines, Mr. Alcock's Options and Performance Rights will not be forfeited in these circumstances.	
Clawbacks & Forfeiture conditions	<p>The Board in its sole discretion may also determine that all, or part, of any unvested incentive awards be forfeited in the following circumstances, or other circumstances the Board determines to be similar to the following:</p> <ul style="list-style-type: none"> <li>▪ a material misstatement or omission in the financial statements of HUB24;</li> <li>▪ if Mr. Alcock's actions or inactions seriously damage HUB24 Group reputation or put HUB24 at significant risk; and/or</li> <li>▪ a material abnormal occurrence results in an unintended vesting or increase in the award.</li> </ul>	
Vesting conditions	<p>Vesting conditions based on two performance hurdles will apply to the Options and Performance Rights.</p> <p><i>First Performance Condition</i></p>	

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50% of the Options (ie. 39,038 Options) and 50% of the Performance Rights (ie. 11,948 Performance Rights) will be subject to, and will vest on, the achievement of a hurdle measuring the compound annual growth (CAGR) in funds under administration (FUA) over the next three years. The vesting is calibrated as follows:

- zero vesting will occur if the CAGR in FUA was below a minimum level of 25.88% per annum (99.5% over three years);
- 50% vesting will occur if the CAGR in FUA reaches 29.58% per annum (117.6% over three years representing approximately \$12 billion);
- 100% vesting will occur if the CAGR in FUA reaches 33.09% per annum (135.7% over three years representing approximately \$13 billion) or more; and
- vesting between 25.88% and 33.09% per annum CAGR in FUA will be on a straight-line basis between these two levels.

The Board reserves the right to reduce by up to 50%, the number of Performance Rights and Options vesting under this condition if the FUA growth was achieved on terms materially less favourable to the Company than terms offered in the normal course of business, unless such terms were approved by the Board.

#### *Second Performance Condition*

50% of the Options (ie. 39,039 Options) and 50% of the Performance Rights (ie. 11,949 Performance Rights) will be subject to, and will vest on, the achievement of a hurdle measuring the absolute total Shareholder return (ATSR) of 12.5% to 17.5% per annum over the next three years. The vesting is calibrated as follows:

- 25% vesting of PC2 Options and Performance Rights occurs when a threshold vesting of 12.5% ATSR compounded annually is achieved;
- 100% vesting of PC2 Options and Performance Rights occurs when a threshold vesting of 17.5% ATSR compounded annually is achieved; and
- vesting between 12.5% and 17.5% ATSR will be on a straight-line basis between these two levels.

#### *Thresholds*

The determination of the ATSR thresholds will be based upon the 20 trading day VWAP for HUB24 shares prior to 2 October 2017. The 20 trading day VWAP for Shares up to that date (ie. 2 October 2017) was \$7.09, therefore (in the absence of any dividends) the 12.5% threshold is \$10.09 and the 17.5% threshold is \$11.50.

The determination of ATSR achieved over the performance period will be based on the 40 trading day VWAP of Shares traded on ASX immediately following the release of the full-year results for the relevant prior fiscal year. In circumstances where the ASX200 falls by greater than 5% during a 40 trading day test period, the testing period will recommence after the period the greater than 5% fall was recorded. The use of a 40 trading day VWAP in the calculation of the end price for ATSR performance testing avoids any abnormal daily share price movements that could advantage or disadvantage employees.

In respect of the Second Performance Condition, the hurdles will be tested over a cumulative three year period to the test date on the 40th trading day following the release of the Company's financial results for the year ended 30 June 2020, subject the above circumstances. If required, any unvested Options or Performance Rights from that three year test will be retested against the CAGR

	<p>ATSR hurdles over the cumulative four year period to 40 trading days from the date of release of the Company's financial results for the year ended 30 June 2021 (Last Testing Date). Any Options or Performance Rights not meeting this four year hurdle will lapse and be cancelled.</p> <p>Any Performance Rights and Options that have not vested after the Last Testing Date, ie. in 2021, will lapse.</p> <p><i>Takeover / 'Change of Control' Event</i></p> <p>All outstanding Options and Performance Rights will be performance tested based on the pro rata achievement of the performance condition to the date of the change of control and the amount that vest will be calculated at that time. Any restrictions on the disposal of the Shares issued on the exercise of Options will cease to apply, where there is an acquisition by a person or entity (whether directly or indirectly) of not less than 90% of the issued shares of the Company, whether by takeover or a members scheme of arrangement in accordance with the Corporations Act, or on the occurrence of some other form of 'change of control' event in respect of the Company as determined by the Board. The Board may in its sole discretion either cancel the remaining Options and Performance Rights not vested or continue testing and vesting of the remaining Options and Performance Rights in accordance with the original issue.</p> <p>The Board has the discretion to determine that any LTI benefit payable in the above termination circumstances can be settled in cash based on the number of Shares vested multiplied by the 20 trading day closing market price (VWAP) of Shares immediately prior to such payment.</p>
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<p>Lapse</p>	<p>Options that may be exercised and are not exercised by November 2022 will automatically lapse.</p> <p>Options that have not vested on the Last Testing Date (as defined above) will automatically lapse.</p> <p>All unvested Options will lapse in the event of Mr. Alcock's resignation or in the event of his termination by the Company for cause.</p>	<p>Performance Rights that have not vested by the Expiry Date will automatically lapse.</p> <p>All unvested Performance Rights will lapse in the event of Mr. Alcock's resignation or in the event of his termination by the Company for cause.</p>
<p>Exercise / conversion</p>	<p>Vested Options may be converted into Shares by way of notice given by Mr. Alcock to the Company of his election to exercise a specified number of Options and the subsequent payment of the relevant exercise price.</p>	<p>On a Performance Right vesting, Mr. Alcock becomes entitled to receive a Share at his election provided he continues as an employee.</p>
<p>Disposal restrictions</p>	<p>Options are not transferrable without the approval of the Board. Transfers of Options may be considered after 12 months from date of grant.</p> <p>Sale of the Shares issued on exercise of the Options will be restricted for a period of 12 months after the date of issue of such Shares. However, the sale of a portion of such Shares for the purpose of funding the payment of the exercise price of the Options or to meet tax obligations arising from the issue of Shares will be permitted, subject to compliance with legal obligations in respect of the sale of such Shares.</p>	<p>Performance Rights are not transferrable without the approval of the Board.</p> <p>Sale of the Shares issued on conversion of the Performance Rights will be restricted for a period of 12 months after the date of issue of such Shares. However, the sale of a portion of such Shares to fund taxation obligations arising from the conversion of the Performance Rights will be permitted, subject to compliance with legal obligations in respect of the sale of such Shares.</p>
<p>Issue of Shares on exercise of Options or conversion of Performance Rights</p>	<p>Upon exercise or vesting, each Option and Performance Right will be converted to a Share ranking equally with the Company's existing Shares.</p> <p>The Company will apply to ASX for quotation of the new Shares issued on the exercise of the Options or conversion of the Performance Rights.</p>	


## LODGE YOUR VOTE

 **ONLINE**  
www.linkmarketservices.com.au

 **BY MAIL**  
HUB24 Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia

 **BY FAX**  
+61 2 9287 0309

 **BY HAND**  
Link Market Services Limited  
1A Homebush Bay Drive, Rhodes NSW 2138; or  
Level 12, 680 George Steet, Sydney NSW 2000

 **ALL ENQUIRIES TO**  
Telephone: +61 1300 554 474



X99999999999

## PROXY FORM

I/We being a member(s) of HUB24 Limited and entitled to attend and vote hereby appoint:

### APPOINT A PROXY

the Chairman of the Meeting (mark box)

**OR** if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **3:00pm on Monday, 20 November 2017 at The Porter, 1 O'Connell St, Sydney, NSW 2000 (the Meeting)** and at any postponement or adjournment of the Meeting.

**Important for Resolutions 1, 4 and 5:** If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 1, 4 and 5, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

**The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.**


### VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting (ie. 3:00pm on Saturday, 18 November 2017).

Please read the voting instructions overleaf before marking any boxes with an

#### Resolutions

Resolutions	For	Against	Abstain*	For	Against	Abstain*
1 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
2 Re-election of Director – Vaughan Webber	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
3 Refresh the Capital Raising Capacity through Shareholder Ratification of prior placements under the 15% Rule	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
4 Approval of Employee Share Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
5 Approval of Issue of Options and Performance Rights to Andrew Alcock				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

 \* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

### SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)




Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

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STEP 1

STEP 2

STEP 3



## HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

### YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

### APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

### DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, either shareholder may sign.

**Power of Attorney:** to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

### LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **3:00pm on Saturday, 18 November 2017**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



#### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



#### BY MAIL

HUB24 Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Australia



#### BY FAX

+61 2 9287 0309



#### BY HAND

delivering it to Link Market Services Limited\*  
1A Homebush Bay Drive  
Rhodes NSW 2138  
or  
Level 12  
680 George Street  
Sydney NSW 2000

\* During business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.  
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**