

**17 October 2018**

## **TABLE OF CONTENTS**

Location of the Annual General Meeting	2
Notice of Annual General Meeting	2
Items of Business	3
Explanatory Memorandum	9
Glossary	20
Annexures	22

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

Registered Office: Level 2, 7 Macquarie Place, 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 Warrane Theatre, Museum of Sydney, Corner of Bridge & Phillip Street, Sydney on Monday, 19 November 2018 commencing at 11.00am (Sydney time).**

**HUB24 LIMITED**  
**ACN 124 891 685**

**Registered Office: Level 2, 7 Macquarie Place, Sydney, New South Wales, Australia 2000.**  
**Tel: +61 2 8274 6079 Fax: 1300 854 994**

## **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 Warrane Theatre, Museum of Sydney, Corner of Bridge & Phillip Street, Sydney, on Monday, 19 November 2018 commencing at 11.00am (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 2018.

*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 2018 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 – IAN LITSTER**

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

**"THAT** Ian Litster, 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 Ian Litster, who abstains from making a recommendation) recommends that Shareholders **vote in favour** of this Resolution.*

**4. RESOLUTION 3: RE-ELECTION OF DIRECTOR – ANTHONY MCDONALD**

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

**“THAT** Anthony McDonald, 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 Anthony McDonald, who abstains from making a recommendation) recommends that Shareholders **vote in favour** of this Resolution.*

**5. RESOLUTION 4: ELECTION OF DIRECTOR – PAUL ROGAN**

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

**“THAT** Paul Rogan, a non-executive director of the Company, who was appointed to the office of Director by the Board, retires from the office of Director in accordance with rule 18.4 of the Constitution and ASX Listing Rule 14.4, being eligible and offering himself for election, be elected as a Director of the Company.”

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

**6. RESOLUTION 5: APPROVAL OF PERFORMANCE RIGHTS 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 HUB24 Performance Rights Plan, as amended and on the terms detailed in the Explanatory Memorandum, and the Company be authorised to continue to issue securities under the HUB24 Performance Rights Plan.”

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

**7. RESOLUTION 6: 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 51,186 Options and 104,072 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.*

## **8. RESOLUTION 7: APPROVAL OF ISSUE OF PERFORMANCE RIGHTS TO ANTHONY MCDONALD**

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 20,000 Performance Rights to Anthony McDonald on the terms set out in the Explanatory Memorandum to this Notice of Meeting be approved.”

*The Board (excluding Anthony McDonald, 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 5 (Approval of Performance Rights Plan):**

The Company will disregard any votes cast on Resolution 5:

- in favour of the Resolution by or on behalf of a Director of the Company, or any associate of a Director; or
- by a KMP or a closely related party or associate of a KMP.

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 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 6 (Issue of Options and Performance Rights to Andrew Alcock):**

The Company will disregard any votes cast on Resolution 6:

- in favour of the Resolution by or on behalf of a Director of the Company, or any associate of a Director;

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

However, the Company need not disregard a vote on Resolution 6 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.

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

**Voting exclusion statement – Resolution 7 (Issue of Performance Rights to Anthony McDonald):**

The Company will disregard any votes cast on Resolution 7:

- in favour of the Resolution by or on behalf of a Director of the Company, or any associate of a Director;
- by Mr. Anthony McDonald;
- by any associate of Mr. Anthony McDonald; or
- by a KMP or a closely related party of a KMP, as a proxy.

However, the Company need not disregard a vote on Resolution 7 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.

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

## **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 7.00pm (Sydney time) on Saturday, 17 November 2018. 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 11.00am (Sydney time) on Saturday, 17 November 2018) at the Company's corporate registry:

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

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

By Hand Link Market Services Limited  
1A Homebush Bay 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 11.00am (Sydney time) on Saturday, 17 November 2018).

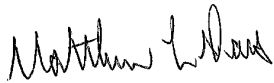
### **Corporate Representatives**

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**

A handwritten signature in black ink, appearing to read 'Matthew Haes', written in a cursive style.

Matthew Haes  
Company Secretary



# 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, 19 November 2018 commencing at 11.00am (Sydney time) at The Warrane Theatre, Museum of Sydney, Corner of Bridge & Phillip Street, Sydney, 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 2018 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 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 2019 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 2019 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 – Ian Litster

Pursuant to rule 18.5 of the Constitution, retiring director Ian Litster being eligible to do so, has offered himself for re-election. Mr. Litster, a non-executive director of the Company, was last elected by Shareholders at the Company's annual general meeting held on 25 November 2015.

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

### **Profile of Ian Litster**

Mr. Litster has over 12 years' experience in the provision of technology solutions to the wealth management industry. His main areas of expertise have revolved around the management of information technology organisations and software development. Mr. Litster founded the companies behind VisiPlan and COIN, two of the leading financial planning systems in Australia. More recently, he co-developed and established the HUB24 investment and superannuation platform.

Mr. Litster was appointed to the Company's Board on 27 September 2012 and is a member of the Remuneration and Nomination Committee and the Audit, Risk and Compliance Committee.

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

### **Resolution 3: Re-election of Director – Anthony McDonald**

Pursuant to rule 18.5 of the Constitution, retiring director Anthony McDonald being eligible to do so, has offered himself for re-election. Mr. McDonald, a non-executive director of the Company, was last elected by Shareholders at the Company's annual general meeting held on 25 November 2015.

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

### **Profile of Anthony McDonald**

Anthony McDonald cofounded financial planning firm Snowball Group Limited ("Snowball") in 2000, which merged with Shadforth in 2011 to become ASX-listed SFG Australia Limited. Anthony is also a former director of The Investment Funds Association of Australia (now Financial Services Council) and currently Chairman of a leading not-for-profit organisation. He is currently non-executive director of 8IP Emerging Companies Limited and URB Investments Limited.

As a financial services executive, Anthony worked in a variety of senior roles with the Snowball Group, SFG, Jardine Fleming Holdings (Hong Kong) and Pacific Mutual Australia Limited. Prior to entering the financial services industry, Anthony worked as a solicitor with the two global law firms, Baker & McKenzie and Coudert Brothers. He holds a Bachelor of Laws (LLB) and a Bachelor of Commerce (Marketing) from the University of NSW.

Anthony was appointed to the HUB24 board on 1 September 2015 and is the Chair of the Remuneration and Nomination Committee.

The Board (excluding Anthony McDonald, who abstains from making a recommendation) recommends supporting the re-election of Anthony McDonald and recommends that Shareholders **vote in favour** of Resolution 3.

### **Resolution 4: Election of Director – Paul Rogan**

Pursuant to rule 18.4 of the Constitution, retiring director Paul Rogan being eligible to do so, has offered himself for election. Mr. Rogan, a non-executive director of the Company, was appointed by the Board of directors of the Company on 20 December 2017.

This Resolution seeks Shareholder approval of the election of Mr. Rogan.

### **Profile of Paul Rogan**

Mr. Rogan is an accomplished former senior financial services executive who has served in a number of roles for leading Australian companies including MLC, National Australia Bank (**NAB**) and Challenger Group. For Challenger Group, these roles included Group CFO, Executive General Manager Capital Risk and Strategy and most recently Chief Executive Distribution, Product and Marketing. Paul also held various roles in the Wealth Management division of NAB including CEO Wealth Management Europe.

Mr. Rogan holds a Bachelor of Business from the University of Technology, is a Member of the Australian Society of Certified Practising Accountants and member of the Australian Institute of Company Directors.

Paul was appointed to the Company's Board on 20 December 2017 and has been the Chairman of the Audit, Risk and Compliance Committee since 1 March 2018.

The Board (excluding Paul Rogan, who abstains from making a recommendation) recommends supporting the re-election of Paul Rogan and recommends that Shareholders **vote in favour** of Resolution 4.

#### **Resolution 5: Approval of the HUB24 Performance Rights Plan**

The Company first adopted, and Shareholders first approved, an employee performance rights plan known as the HUB24 Performance Rights Plan at its Annual General Meeting in November 2016.

Pursuant to the existing HUB24 Performance Rights Plan, the Company can issue performance rights over fully paid ordinary shares (**Performance Rights**) to eligible employees, contractors and 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.

The Board has sought independent advice on the existing HUB24 Performance Rights Plan. Based on this advice and after detailed review by the Remuneration & Nomination Committee, the Company proposes to amend the HUB24 Performance Rights Plan. A summary of the proposed amendments and the principal terms of the HUB24 Performance Rights Plan are set out in Annexure A to this Explanatory Memorandum.

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 three 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 HUB24 Performance Rights Plan at the 2016 Annual General Meeting of the Company, a total of 379,981 Performance Rights have been issued under the Plan, subject to restrictions on vesting and exercise, of which 12,309 Performance Rights have since lapsed.

As two years have passed since the previous approval granted by Shareholders at the 2016 Annual General Meeting of the Company and as the Board is proposing to amend the HUB24 Performance Rights Plan, Shareholder approval of the Plan and issue of Performance Rights to Eligible Persons under the HUB24 Performance Rights Plan is again sought from Shareholders. If approval is given, Performance Rights 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 (other than Andrew Alcock and Anthony McDonald, who abstain from making a recommendation) recommends that Shareholders **vote in favour** of Resolution 5 to again approve the HUB24 Performance Rights Plan (as amended) and the issue of securities pursuant to the HUB24 Performance Rights Plan.

#### **Resolution 6: Approval of issue of Options and Performance Rights to Andrew Alcock**

Resolution 6 seeks approval, for the purposes of ASX Listing Rule 10.14, and for all other purposes, of the grant of 51,186 Options and 104,072 Performance Rights in FY19 to the Managing Director, Mr. Andrew Alcock, under the terms and conditions set out in this Explanatory Memorandum 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 Memorandum.

## **Background**

The Board has set Mr. Alcock's remuneration package for FY19 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 FY18 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.

The details of any securities 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.

Any directors, their related entities or associates who become entitled to participate under the HUB24 LTI Plans after the resolutions are approved and who were not named in the Notice of Meeting will not participate until approval is obtained under ASX Listing Rule 10.14.

Mr. Alcock has received 78,077 Options and 58,748 Performance Rights under the HUB24 LTI Plans since the HUB24 Share Option Plan and the HUB24 Performance Rights Plan were respectively last approved by shareholders at an Annual General Meeting. No amounts were payable for the issue of those Options and Performance Rights.

The directors of the Company are entitled to participate in the HUB24 LTI Plans (Mr. Bruce Higgins, Mr. Anthony McDonald, Mr. Paul Rogan, Mr. Andrew Alcock and Mr. Ian Litster).

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 14 of ASX Listing Rule 7.2, which applies when there is an issue of securities with the approval of holders of ordinary securities under ASX Listing Rule 10.14, and the notice of meeting states that approval is given under ASX Listing Rule 10.14 and approval is not required under ASX Listing Rule 7.1.

## **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 FY19, Mr. Alcock is entitled to the aggregate of:

- the grant of 51,186 Options and 14,072 Performance Rights (Tranche 1) under the HUB24 LTI Plans with a value based upon 75% of his current total fixed remuneration; and
- the grant of 90,000 Performance Rights (Tranche 2) as a one-off long term incentive.

Mr. Alcock has agreed that his total fixed remuneration will not increase by any amount until at least 1 September 2020 in consideration for the issue of these 90,000 Performance Rights (Tranche 2).

### **Types of LTI to be granted**

The FY19 LTI grant to Mr. Alcock is made up of 51,186 Options, 14,072 Performance Rights (Tranche 1) and 90,000 Performance Rights (Tranche 2).

Each Performance Right and Option provides an entitlement to one Share, subject to achievement of performance hurdles. No consideration will be payable for the issue of 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 (Tranche 1 or Tranche 2) 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, nor will any loan be provided upon exercise of these Options and Performance Rights.

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

The number of Performance Rights (Tranche 1) and Options issued has been determined by dividing the entitlement by the value of an Option or Performance Right. In addition, the total value of the entitlement has been allocated between Options and Performance Rights (Tranche 1) equally (ie, 50/50).

- for the purpose of calculating the number of Performance Rights (Tranche 1) to be issued, the maximum value of LTI to be awarded in Performance Rights is 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 31 August 2018, which VWAP is \$12.04.
- for the purpose of calculating the number of Options to be issued, the maximum value of LTI to be awarded in Options is divided by the Option value determined by the Monte Carlo simulation methodology which is a value of \$3.31.

The exercise price for the Options was determined with reference to the 20 trading day VWAP for HUB24 shares in the 20 trading days prior to 31 August 2018. The exercise price of each Option based on this calculation is \$12.04.

On this basis, Shareholder approval is sought for the grant of 51,186 Options and 104,072 Performance Rights in FY19 to Mr. Andrew Alcock.

### **Conditions of vesting – performance conditions & performance periods**

For Mr. Alcock, vesting of the FY19 grant of Options and Performance Rights (Tranche 1) is subject to two performance conditions that the Board considers both challenging and aligned to growing the long term value of HUB24.

The vesting of Performance Rights (Tranche 2) is subject to a separate performance condition outlined below at the section titled '*3. PC3 – Growth in FUA over four years – Third Performance Condition*'.

The First Performance Condition and the Second Performance Condition (referred to as PC1 and PC2 respectively) will be applied separately to the Options and Performance Rights (Tranche 1) as follows:

- 50% of the Options and 50% of the Performance Rights (Tranche 1) are subject to the 'First Performance Condition' (PC1); and

- 50% of the Options and 50% of the Performance Rights (Tranche 1) are subject to the 'Second Performance Condition' (PC2).

PC3 will be applied to 100% of the Performance Rights (Tranche 2) only.

The performance conditions are as follows:

1. *PC1 – Growth in Funds Under Administration (FUA) over three years – '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 rate (CAGR) in FUA over the next three years is an effective way to incentivise Mr. Alcock to profitably build the Company's market share and with it, shareholder value.

For the 3 year performance period from 1 July 2018 to 30 June 2021, the Board has calibrated the vesting of the Managing Director's Options and Performance Rights (Tranche 1) to the CAGR in FUA as follows:

- zero vesting will occur if the CAGR in FUA is below a minimum level of 29.23% per annum (115.8% over three years representing approximately \$18 billion);
- 50% vesting will occur if the CAGR in FUA reaches 33.85% per annum (139.8% over three years representing approximately \$20 billion);
- 100% vesting will occur if the CAGR in FUA reaches 40.23% per annum (175.7% over three years representing approximately \$23 billion) or more;
- vesting between 29.23% and 33.85% per annum CAGR in FUA (for between 0% and 50% vesting) will be on a straight-line basis between these two levels; and
- vesting between 33.85% and 40.23% per annum CAGR in FUA (for between 50% vesting and 100% vesting) will be on a straight-line basis between these two levels.

By way of example, if the CAGR in FUA over the testing period is 35% per annum then 59.01% vesting of PC1 Options and Performance Rights (Tranche 1) 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 (Tranche 1) and Options vesting under PC1 if the FUA growth was achieved on commercial terms materially less favourable to the Company 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 the Company'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, which is significantly above the 20 year average annual returns on Australian equities of 8.8% reported in the 2017 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 (Tranche 1) occurs when a threshold vesting of 12.5% ATSR compounded annually is achieved;
- 100% vesting of PC2 Options and Performance Rights (Tranche 1) 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 (Tranche 1) will occur.

The determination of the ATSR thresholds will be based upon the 20 trading day VWAP for HUB24 shares prior to 31 August 2018. The 20 trading day VWAP for Shares up to that date was \$12.04, therefore (in the absence of any dividends) the 12.5% threshold is \$17.14 and the 17.5% threshold is \$19.53 when tested over a three year period, or \$19.29 and \$22.95 respectively when tested over a four year period as described further below.

The determination of ATSR achieved over the 3 year 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 this Explanatory Memorandum, this 40 trading day period is referred to as the 'testing period'. 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 during which 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 2021, subject to the above. If required, any unvested Options or Performance Rights (Tranche 1) 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 2022 (Last Testing Date). Any Options or Performance Rights (Tranche 1) 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 FY19 grant. The additional testing after 30 June 2021 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 retesting 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 (ie until 30 June 2021) 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 (Tranche 1).

Any Performance Rights (Tranche 1) and Options that have not vested after the Last Testing Date (as defined above), ie. in 2022, will lapse.

### *3. PC3 –Growth in FUA over four years – 'Third Performance Condition'*

The third performance condition will apply to the second tranche of Performance Rights only.

For the performance period from 1 July 2018 to 30 June 2022, the Board has calibrated the vesting of the Managing Director's Performance Rights (Tranche 2) to the CAGR in FUA as follows:

- zero vesting will occur if the CAGR in FUA is below a minimum level of 33% per annum representing approximately \$26 billion; and

- 100% vesting will occur if the CAGR in FUA reaches 33% per annum.

In measuring the achievement of PC3, the Board reserves the right at its discretion, to reduce by up to 50%, the number of Performance Rights (Tranche 2) vesting under PC3 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.

Any Performance Rights (Tranche 2) that have not vested after June 2022 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.

The Board has the absolute discretion to deliver either Shares or cash or a combination of both on exercise of vested Performance Rights.

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 2023, 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 31 August 2018 (ie. \$12.04).

### **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.

Performance Rights (Tranche 1) are not transferable unless otherwise approved by the Board.

Performance Rights (Tranche 2) are transferable within 120 days of issue to Mr. Alcock's spouse, family trust or any other vehicle associated with Mr. Alcock.

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 (Tranche 1), both vested and unvested, 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.

The Performance Rights (Tranche 2), both vested and unvested, are retained by Mr. Alcock on the cessation of his employment unless the Board determines in its absolute discretion:

- where Mr. Alcock's employment is terminated for cause, that he loses all unvested Performance Rights and forfeits all vested Performance Rights; or



- where Mr. Alcock's employment is not terminated for cause, that he loses all or some of his unvested Performance Rights.

Upon a change in 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 in relation to the issue of Options and Performance Rights (Tranche 1) 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.

In relation to the Performance Rights (Tranche 2) the Board has absolute discretion to deliver either Shares or cash or a combination of both on exercise of vested Performance Rights regardless of termination circumstances.

### **Clawbacks & forfeiture**

The Board has an absolute discretion to reduce, cancel or recover (**Clawback**) any and all unvested Options or Performance Rights (Tranche 1) or vested and unvested Performance Rights (Tranche 2) or Shares held by Mr. Alcock under this offer in the following 'for cause' circumstances:

- serious misconduct or fraud by Mr. Alcock;
- unsatisfactory performance by Mr. Alcock to the detriment of strategic Company objectives or to the Company's reputation or standing in the industry or the community, or which has brought the Company into disrepute;
- error in the calculation of achievement of any Performance Rights or performance conditions;
- false or misleading statement or omission in relation to the Company's financial statements;
- a breach of Mr. Alcock's obligations to the Company, including any breach of his employment agreement or the Company policies or codes of conduct; or
- conviction of Mr. Alcock of a criminal offence or Mr. Alcock has had a judgment entered against him in any civil proceedings in respect of duties at law, in equity or under statute.

Further, the Board has an absolute discretion to determine to Clawback any and all unvested Options or Performance Rights (Tranche 1) or vested and unvested Performance Rights (Tranche 2) or Shares made to Mr. Alcock under this Offer:

- to protect the financial soundness and sustainability of the Company;
- to ensure that no unfair benefit is obtained by Mr. Alcock;
- to respond to a material change in the circumstances of, or significant unexpected or unintended consequence affecting the Company that was not foreseen by the Board.

### **No dividends**

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

### **Recommendation**

The Board (excluding Andrew Alcock, who abstains from making a recommendation) recommends that Shareholders **vote in favour** of Resolution 6.

### **Resolution 7: Approval of issue of Performance Rights to Anthony McDonald**

Resolution 7 seeks approval, for the purposes of ASX Listing Rule 10.14, and for all other purposes, of the issue by the Company of 20,000 Performance Rights to Non-Executive Director, Mr. Anthony

McDonald, under the terms and conditions set out in this Explanatory Memorandum and the HUB24 Performance Rights Plan.

A summary of the principal terms of the issue of the Performance Rights are set out in Annexure C to this Explanatory Memorandum.

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

Any directors, their related entities or associates who become entitled to participate under the HUB24 LTI Plans after the resolutions are approved and who were not named in the Notice of Meeting will not participate until approval is obtained under ASX Listing Rule 10.14.

Mr. McDonald has received nil Options and nil Performance Rights under the HUB24 LTI Plans since the HUB24 Share Option Plan and the HUB24 Performance Rights Plan were respectively last approved by shareholders at an Annual General Meeting.

The directors of the Company are entitled to participate in the HUB24 LTI Plans (Mr. Bruce Higgins, Mr. Anthony McDonald, Mr. Paul Rogan, Mr. Andrew Alcock and Mr. Ian Litster).

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 14 of ASX Listing Rule 7.2, which applies when there is an issue of securities with the approval of holders of ordinary securities under ASX Listing Rule 10.14, and the notice of meeting states that approval is given under ASX Listing Rule 10.14 and approval is not required under ASX Listing Rule 7.1.

As there is no consideration payable by Mr. McDonald for the issue of the Performance Rights to him, there is no loan being provided to acquire these Performance Rights, nor will any loan be provided upon exercise of these Performance Rights.

The Performance Rights will be issued within 30 days of the Annual General Meeting.

Mr. McDonald commenced as a non-executive director on 1 September 2015. Since that time, Mr. McDonald has contributed significant additional effort on activities to support the growth of the Company beyond that normally expected by a non-executive director. Accordingly, the grant of 20,000 Performance Rights is to compensate Mr. McDonald for the additional time he has input in the Company from 1 September 2015 up to and including the current financial year FY19. The Board (excluding Mr. McDonald) believes that the grant of this number of Performance Rights represents reasonable remuneration to Mr. McDonald for that additional work.

HUB24 is a small company experiencing rapid growth and development which requires a tailored approach and flexibility to non-executive remuneration policies and practices from those of more established companies. In particular, greater use of equity-based remuneration in the form of Performance Rights is appropriate to pay a non-executive director in certain circumstances and thereby preserve capital. Mr. McDonald, as a non-executive director, has agreed to a compensation freeze from October 2017 to October 2020 in consideration of the receipt of these Performance Rights which will assist in preserving cash.

This recommendation is based on adequate remuneration to attract and retain the requisite talented non-executive directors and to encourage a non-executive director to carry out their role diligently and in particular to recognise the key role and additional time commitments that Mr. McDonald has expended over the past 3 years and is expected to contribute over the next 3 years in supporting the CEO and executive team through his industry experience as a former founder and Managing Director of Snowball Group Limited (now part of the ASX listed IOOF Holdings Limited). These Performance Rights are granted in lieu of cash payment of directors fees over the period of vesting although the Company retains the option of payment in shares or cash after vesting at the time of exercise.

Based on a review of proxy adviser guidelines and to protect the independence of non-executive directors we note a preference for options to vest immediately, but given the structure of this as a

Performance Right and need to align non-executive director's remuneration with shareholder expectations of the growth potential and expectations built into the current share price and high price earnings multiple of the Company, at present we believe that the appropriate hurdle is a combination of factors of:

- providing support to the HUB24 Managing Director and KMPs in relation to the securing and maintenance of key accounts over the period from 1 July 2018 to 30 June 2021; and
- directly liaising with key accounts to facilitate growth and customer satisfaction as measured by the improvement in the company's customer satisfaction service levels over the period from 1 July 2018 to 30 June 2021.

These Performance Rights proposed to be granted are in line with non-executive director remuneration levels for market index peers, when the time required to undertake the role of a non-executive director to actively support the growth of the Company is considered.

The 20,000 Performance Rights are proposed to be granted under the HUB24 Performance Rights Plan for nil consideration and will convert into ordinary shares in the Company if the vesting criteria as set out above is met. A summary of the key terms are set out in Annexure C.

Mr. McDonald as Chair of the Remuneration & Nomination Committee did not participate in the consideration of the issue of Performance Rights to himself.

### **Recommendation**

The Board (excluding Anthony McDonald, who abstains from making a recommendation) recommends that Shareholders **vote in favour** of Resolution 7.

## 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 in 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 directors of the Company who are eligible to participate in the Plan.

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

**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 memorandum accompanying the Notice and the Proxy Form.

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

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

**Performance Rights Plan** means the HUB24 Performance Rights Plan, previously approved by Shareholders at the 2016 Annual General Meeting and as amended from time to time.

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

**Remuneration Report** means the remuneration report set out in the Company's 2018 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.

**Share Option Plan** means the HUB24 Share Option Plan, previously approved by Shareholders at the 2014 and 2017 Annual General Meetings.

**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.

## ANNEXURE A

### SUMMARY OF THE AMENDMENTS AND THE PRINCIPAL TERMS OF THE HUB24 PERFORMANCE RIGHTS PLAN (RESOLUTION 5)

#### PART 1 – PROPOSED AMENDMENTS

A summary of the proposed amendments to the HUB24 Limited Performance Rights Plan (**Plan**) is set out below:

##### **Conversion**

The Board may in its discretion settle Performance Rights by paying cash to the participant equal to the market value of the underlying Share.

##### **Non-executive directors**

Performance Rights may be issued to non-executive directors.

#### PART 2 – PRINCIPAL TERMS

A summary of the principal terms of the Plan is set out below:

##### **Eligibility**

Under the Plan, the Board may in its discretion invite any of the following persons to participate in the Plan:

- (a) a full-time or part-time employee of the Company or any of its subsidiaries;
- (b) an individual who provides services to the Company or any of its subsidiaries; or
- (c) a director of the Company or any of its subsidiaries,

(each an **Eligible Employee**).

An Eligible Employee who is made an offer to participate in the Plan (**Offer**) may accept the Offer and apply for Performance Rights under the Plan up to the number specified in the invitation. The Company may permit an Eligible Employee to nominate an entity controlled by the Eligible Employee to be issued the securities in his or her place.

Subject to certain exceptions, the number of Shares which may be issued to Eligible Persons (as a result of the exercise of Performance Rights) when aggregated with the number of Shares 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 Shares as at the time of the relevant offer.

##### **Grants**

Under the rules of the Plan, Performance Rights may be offered or granted to Eligible Persons from time to time, subject to the absolute discretion of the Board.

Each Performance Right entitles the holder, on exercise, to one Share.

## **Terms and conditions**

The Board has the absolute discretion to set the terms and conditions (including conditions in relation to vesting, disposal restrictions and exercise price (if any)) on which it will grant Performance Rights under the Plan and may set different Performance Conditions and other terms and conditions to apply to different participants in the Plan.

The Board will determine the procedure for offering Performance Rights (including the form, terms and content of any offer, and invitation or acceptance procedure) in accordance with the rules of the Plan.

## **Exercise Price**

Performance Rights may be offered for acquisition and acquired by or for the benefit of a participant under the Plan for no consideration if an exercise price is not specified in the relevant Offer.

## **Performance Conditions**

Performance Rights will be subject to performance, vesting and other conditions (if any) determined by the Board (or a special purpose committee established by the Board) from time to time and specified in any Offer at the time of the grant.

Performance Conditions may include conditions relating to continuous employment or service, the individual performance of the participant and/or the Company's performance. The Board has discretion to specify an exercise price in any Offer but otherwise, if the Performance Conditions are reached or met during the specified period, the Performance Rights can be converted into Shares.

## **Ranking of Shares**

Unless otherwise provided in an Offer, Shares issued upon exercise or vesting of Performance Rights under the Plan will rank equally with the other issued Shares in all respects.

## **Voting and dividend rights of Performance Rights**

Performance Rights do not carry any voting or dividend rights. Shares issued or transferred to participants upon vesting of a Performance Right carry the same rights and entitlements as other issued Shares, including voting and dividend rights.

## **Vesting or Exercise of Performance Rights**

Where no exercise price is specified in the Offer of Performance Rights, once applicable performance conditions have been satisfied and Performance Rights vest, the employee 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 Share being issued or purchased on market.

Where an exercise price is specified in an Offer, a participant in the Plan may exercise Performance Rights if performance conditions are reached during the applicable period and the Performance Rights have not otherwise expired. To exercise the Performance Rights, the participant must provide the Company with a signed notice of exercise of a Performance Right and the amount of the applicable exercise price. The participant must also comply with any other requirements under the Plan or as specified in the Offer.

## **Expiry of Performance Rights**

Performance Rights which have not been exercised will lapse if the applicable Performance Conditions and any other conditions to exercise are not met during the prescribed performance period or if they are not exercised before the applicable expiry date.

In addition, Performance Rights will lapse if the Eligible Employee to whom the Performance Right was offered resigns or is otherwise terminated from their Employment, unless otherwise determined

by the Board. Performance Rights will also lapse if the relevant employee has committed any act of fraud or misconduct in relation to the affairs of the Company or its subsidiaries.

### **Vested Performance Rights**

The Board intends that any vested Performance Rights held by a participant must be exercised no later than 15 years after the date of issue.

### **Quotation**

Performance Rights will not be quoted on ASX. The Company will apply for official quotation of any Shares issued under the Plan upon the exercise of Performance Rights, in accordance with the ASX Listing Rules.

The Company may require that any Shares issued under the Plan are acquired and/or subject to such additional restrictions and other terms as to their sale, transfer or other disposal, or encumbrance as the Board may determine.

### **Approval**

Grants of Performance Rights under the Plan to a Director will be subject to the approval of Shareholders, to the extent required under the ASX Listing Rules.

### **No transfer or encumbrance**

Without the prior approval of the Board, unvested Performance Rights which have not been exercised, may not be sold, transferred, encumbered or otherwise dealt with.

Any restriction as to the dealing with any Performance Right will cease to apply where prior to the date that any performance condition relating to the Performance Right is satisfied, there is an acquisition by a person or entity (directly or indirectly) of not less than 90% of the Shares, whether by takeover or a members' scheme of arrangement in accordance with the Corporations Act.

### **Change in control**

If a change in control event occurs, unless the Board determines otherwise, a proportion of the Performance Rights (determined by reference to the proportion of the performance period which has then elapsed) held by a participant must vest even though the applicable performance conditions may not have been satisfied, reached or met during the applicable performance period, and the remainder of the Performance Rights must lapse.

### **Other terms of the Plan**

The Plan also contains customary and usual terms having regard to Australian law for dealing with the administration and variation of the Plan.

To date, 379,981 Performance Rights convertible into Shares have been issued under the Plan.

See Resolution 6 and Resolution 7 regarding a proposal to issue Performance Rights to Mr. Andrew Alcock and Mr. Anthony McDonald under the Plan.



## ANNEXURE B

### SUMMARY OF KEY TERMS OF OPTIONS AND PERFORMANCE RIGHTS PROPOSED TO BE ISSUED TO ANDREW ALCOCK (RESOLUTION 6)

Term	Options	Performance Rights
Total number granted	51,186 Options, each of which entitles the holder to subscribe for one Share on and subject to the terms of the Options.	104,072 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 31 August 2018, being \$12.04 ( <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	<p>Subject to the following, the Options and Performance Rights (Tranche 1), vested and unvested, 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.</p> <p>The Performance Rights (Tranche 2), both vested and unvested, are retained by Mr. Alcock on the cessation of his employment unless the Board determines in its absolute discretion:</p> <ul style="list-style-type: none"> <li>(a) where Mr. Alcock's employment is terminated for cause, that he loses all unvested Performance Rights and forfeits all vested Performance Rights;</li> <li>or</li> <li>(b) where Mr. Alcock's employment is not terminated for cause, that he loses all or some of his unvested Performance Rights.</li> </ul>	
Clawbacks & Forfeiture conditions	<p>The Board shall have discretion to reduce, cancel or recover (<b>Clawback</b>) any and all unvested Options or Performance Rights (Tranche 1) or vested and unvested Performance Rights (Tranche 2) or Shares held by Mr. Alcock under this offer in the following 'for cause' circumstances:</p> <ul style="list-style-type: none"> <li>(a) serious misconduct or fraud by Mr. Alcock;</li> <li>(b) unsatisfactory performance by Mr. Alcock to the detriment of strategic Company objectives or to the Company's reputation or standing in the industry or the community, or which has brought the Company into disrepute;</li> </ul>	

	<ul style="list-style-type: none"><li>(c) error in the calculation of achievement of any Performance Rights or performance conditions;</li><li>(d) false or misleading statement or omission in relation to the Company's financial statements;</li><li>(e) a breach of Mr. Alcock's obligations to the Company, including any breach of his employment agreement or the Company policies or codes of conduct;</li><li>(f) conviction of Mr. Alcock of a criminal offence or Mr. Alcock has had a judgment entered against him in any civil proceedings in respect of duties at law, in equity or under statute.</li></ul> <p>Further, the Board has discretion to determine to Clawback any and all unvested Options or Performance Rights (Tranche 1) or vested and unvested Performance Rights (Tranche 2) or Shares made to Mr. Alcock under this Offer:</p> <ul style="list-style-type: none"><li>(a) to protect the financial soundness and sustainability of the Company;</li><li>(b) to ensure that no unfair benefit is obtained by Mr. Alcock;</li><li>(c) to respond to a material change in the circumstances of, or significant unexpected or unintended consequence affecting the Company that was not foreseen by the Board.</li></ul>
--	---

<p>Vesting conditions</p>	<p>Vesting conditions based on three performance hurdles will apply to the Options and Performance Rights.</p> <p><i>First Performance Condition (applies to Options and Tranche 1 Performance Rights)</i></p> <p>50% of the Options (ie. 25,593 Options) and 50% of the Performance Rights (ie. 7,036 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:</p> <ul style="list-style-type: none"> <li>▪ zero vesting will occur if the CAGR in FUA was below a minimum level of 29.23% per annum (115.8% over three years);</li> <li>▪ 50% vesting will occur if the CAGR in FUA reaches 33.85% per annum (139.8% over three years representing approximately \$20 billion);</li> <li>▪ 100% vesting will occur if the CAGR in FUA reaches 40.23% per annum (175.7% over three years representing approximately \$23 billion) or more;</li> <li>▪ vesting between 29.23% and 33.85% per annum CAGR in FUA (for between 0% and 50% vesting) will be on a straight-line basis between these two levels; and</li> <li>▪ vesting between 33.85% and 40.23% per annum CAGR in FUA (for between 50% vesting and 100% vesting) will be on a straight-line basis between these two levels.</li> </ul> <p>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.</p> <p><i>Second Performance Condition (applies to Options and Tranche 1 Performance Rights)</i></p> <p>50% of the Options (ie. 25,593 Options) and 50% of the Performance Rights (ie. 7,036 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:</p> <ul style="list-style-type: none"> <li>▪ 25% vesting of PC2 Options and Performance Rights occurs when a threshold vesting of 12.5% ATSR compounded annually is achieved;</li> <li>▪ 100% vesting of PC2 Options and Performance Rights occurs when a threshold vesting of 17.5% ATSR compounded annually is achieved; and</li> <li>▪ vesting between 12.5% and 17.5% ATSR will be on a straight-line basis between these two levels.</li> </ul> <p><i>Third Performance Condition (applies to Tranche 2 Performance Rights)</i></p> <p>For the performance period from 1 July 2018 to 30 June 2022, the Board has calibrated the vesting of the Managing Director's Performance Rights (Tranche 2) to the CAGR in FUA as follows:</p> <ul style="list-style-type: none"> <li>• zero vesting will occur if the CAGR in FUA is below a minimum level of 33% per annum;</li> <li>• 100% vesting will occur if the CAGR in FUA reaches 33% per annum;</li> </ul> <p>In measuring the achievement of PC3, the Board reserves the right at its discretion, to reduce by up to 50%, the number of Performance Rights (Tranche 2) vesting under PC3 if the FUA growth was achieved on commercial terms materially less favourable to the Company 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</p>
---------------------------	---

protecting the Company's long term stability, sound risk management and aligned with the creation of long-term shareholder value.

#### *Thresholds*

The determination of the ATSR thresholds will be based upon the 20 trading day VWAP for HUB24 shares prior to 31 August 2018. The 20 trading day VWAP for Shares up to that date (ie. 31 August 2018) was \$12.04, therefore (in the absence of any dividends) the 12.5% threshold is \$17.14 and the 17.5% threshold is \$19.53.

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 2021, subject the above circumstances. If required, any unvested Options or Performance Rights (Tranche 1) from that three year test will be retested against the 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 2022 (Last Testing Date). Any Options or Performance Rights (Tranche 1) not meeting this four year hurdle will lapse and be cancelled.

Any Performance Rights (Tranche 1) and Options that have not vested after the Last Testing Date, ie. in 2022, will lapse.

In respect of the Third Performance Condition, the hurdles will be tested over a cumulative four year period to the test date on 30 June 2022

#### *Takeover / 'Change of Control' Event*

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.

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>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><i>Tranche 1</i></p> <p>Performance Rights that have not vested by the Expiry Date will automatically lapse.</p> <p><i>Tranche 2</i></p> <p>Both vested and unvested Performance Rights, are retained by Mr. Alcock unless the Board determines in its absolute discretion:</p> <ul style="list-style-type: none"> <li>(a) Mr. Alcock is terminated for cause and that he lose all unvested Performance Rights and forfeit all vested Performance Rights; or</li> <li>(b) Mr. Alcock loses all or some of his unvested Performance Rights.</li> </ul>
<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><i>Tranches 1 &amp; 2</i></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><i>Tranche 2 only</i></p> <p>Exercised vested Performance Rights may be satisfied, at the absolute discretion of the Board and by notice to Mr. Alcock, in Shares or in cash.</p> <p>If the Board determines that Vested Performance Rights will be settled in cash, the amount that the Company must pay to the Participant is equal to the price of the underlying Shares as quoted on the ASX that would otherwise have been issued to the Participant at the date of Exercise, less any Exercise Price (<b>Cash Equivalent Value</b>).</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>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><i>Tranche 1</i></p> <p>Performance Rights are not transferrable without the approval of the Board.</p> <p><i>Tranche 2</i></p>

		<p>Mr. Alcock may transfer his Performance Rights to his spouse, family trust or any other vehicle associated with him (<b>Controlled Entity</b>).</p> <p>Any such transfer of Performance Rights must occur within 120 days of the issue date.</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>	

## ANNEXURE C

### SUMMARY OF KEY TERMS OF PERFORMANCE RIGHTS PROPOSED TO BE ISSUED TO ANTHONY MCDONALD (RESOLUTION 7)

Term	Performance Rights
<b>Number of Performance Rights granted</b>	<p>20,000 Performance Rights, each of which entitles the holder to be issued one (1) Share or receive cash of equivalent value (at the Company's discretion) on and subject to the terms of this Annexure C and the Performance Rights Plan.</p> <p>Please note: the Board has the absolute discretion to deliver either Shares or cash or a combination of both on exercise of vested Performance Rights.</p>
<b>Quotation</b>	The Performance Rights will not be quoted on ASX or any other exchange.
<b>Issue Date</b>	Within 30 days of Annual General Meeting
<b>Issue Price (payable for the issue of Performance Rights)</b>	\$Nil
<b>Exercise Price (payable to acquire any Shares)</b>	\$Nil
<b>Performance Rights are transferrable</b>	<p>Mr. McDonald may transfer his Performance Rights to his spouse, family trust or any other vehicle associated with him (<b>Controlled Entity</b>).</p> <p>Any such transfer of Performance Rights must occur within 120 days of the issue date.</p>
<b>Vesting Conditions</b>	<p>Mr. McDonald must meet performance conditions as set out below (<b>Performance Conditions</b>):</p> <ul style="list-style-type: none"> <li>(a) provide support to the HUB24 Managing Director and KMPs in relation to the securing and maintenance of key accounts over the period from 1 July 2018 to 30 June 2021; and</li> <li>(b) directly liaise with key accounts to facilitate growth and customer satisfaction as measured by the improvement in the company's customer satisfaction service levels over the period from 1 July 2018 to 30 June 2021.</li> </ul>
<b>Performance Period</b>	<p>A maximum Performance Period of three (3) years from the date of issue of the Performance Rights.</p> <p>Any Performance Rights that are unvested as at the end of the Performance Period will lapse.</p>
<b>Vesting Date</b>	<p>Subject to the Vesting Conditions being met as at the end of the Performance Period, the Performance Rights will vest on that date (<b>Vesting Date</b>).</p> <p>The Company will notify Mr. McDonald of the number of Performance Rights that become exercisable (<b>Vested Performance Rights</b>).</p> <p>The Board has an absolute discretion to determine that some, or all, of any unvested Performance Rights should vest.</p>
<b>Exercise</b>	Vested Performance Rights may be converted into Shares by way of notice given by the Participant to the Company of the


	Participant's election to exercise a specified number of Performance Rights and the payment of the relevant exercise price (if any).
<b>Exercise Period</b>	From the date the Vested Performance Rights vest until 15 years after the date of issue, unless otherwise specified by the Board.
<b>Settlement in Shares or Cash</b>	<p>(a) Exercised Vested Performance Rights may be satisfied, at the absolute discretion of the Board and by notice to the Participant, in Shares or in cash.</p> <p>(b) If the Board determines that Vested Performance Rights will be settled in cash, the amount that the Company must pay to the Participant is equal to the price of the underlying Shares as quoted on the ASX that would otherwise have been issued to the Participant at the date of exercise, less any exercise price (<b>Cash Equivalent Value</b>).</p>
<b>Delivery of Shares</b>	<p>Upon the exercise of Performance Rights (as applicable), new Shares ranking equally with the Company's existing Shares will be issued or an existing Share will be transferred.</p> <p>The Company will apply to ASX for quotation of the new Shares issued on the exercise of the Performance Rights.</p>
<b>Cessation</b>	<p>Mr. McDonald:</p> <p>(a) retains all unvested Performance Rights; and</p> <p>(b) retains all Vested Performance Rights,</p> <p>unless the Board at its absolute discretion determines:</p> <p>(c) where the engagement is terminated for cause, that he loses all Unvested Performance Rights and forfeits all Vested Performance Rights; or</p> <p>(d) where the engagement is not terminated for cause, that he loses all or some of his Unvested Performance Rights (but retains all Vested Performance Rights).</p>
<b>Clawback</b>	<p>The Board shall have discretion to reduce, cancel or recover (<b>Clawback</b>) any and all Performance Rights or Shares held by Mr. McDonald in the following 'for cause' circumstances:</p> <p>(a) serious misconduct or fraud by Mr. McDonald;</p> <p>(b) unsatisfactory performance by Mr. McDonald to the detriment of strategic Company objectives or to the Company's reputation or standing in the industry or the community, or which has brought the Company into disrepute;</p> <p>(c) error in the calculation of achievement of any Performance Rights or performance conditions;</p> <p>(d) false or misleading statement or omission in relation to the Company's financial statements;</p> <p>(e) a breach of Mr. McDonald's obligations to the Company, including any breach of the Company policies or codes of conduct;</p> <p>(f) conviction of Mr. McDonald of a criminal offence or Mr.</p>




	<p>McDonald has had a judgment entered against him in any civil proceedings in respect of duties at law, in equity or under statute.</p> <p>Further, the Board has discretion to determine to Clawback any and all Performance Rights issued to Mr. McDonald:</p> <ul style="list-style-type: none"> <li>(a) to protect the financial soundness and sustainability of the Company;</li> <li>(b) to ensure that no unfair benefit is obtained by Mr. McDonald;</li> <li>(c) to respond to a material change in the circumstances of, or significant unexpected or unintended consequence affecting the Company that was not foreseen by the Board.</li> </ul>
<p><b>Lapse once vested and not exercised</b></p>	<p>By the end of the exercise period, any Vested Performance Rights that have not been exercised will automatically lapse.</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 Street, Sydney NSW 2000

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



X99999999999

## PROXY FORM

I/We being a member(s) of HUB24 Limited (the **Company**) 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 **11:00am (AEDT) on Monday, 19 November 2018 at The Warrane Theatre, Museum of Sydney, Corner of Bridge & Phillip Street, Sydney** (the **Meeting**) and at any postponement or adjournment of the Meeting.

**Important for Resolutions 1, 5, 6 and 7:** 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, 5, 6 and 7, 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. 11.00am (AEDT) on Saturday, 17 November 2018).

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"/>	5 Approval of Performance Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Director – Ian Litster	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6 Approval of Issue of Options and Performance Rights to Andrew Alcock	<input type="checkbox"/>	<input type="checkbox"/>
3 Re-election of Director – Anthony McDonald	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7 Approval of Issue of Performance Rights to Anthony McDonald	<input type="checkbox"/>	<input type="checkbox"/>
4 Election of Director – Paul Rogan	<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).

## 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 **11:00am (AEDT) on Saturday, 17 November 2018**, 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.**