

## TABLE OF CONTENTS

Location of the Annual General Meeting	2
Notice of Annual General Meeting	3
Items of Business	3
Explanatory Memorandum	9
Glossary	14
Annexures	15

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

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

For personal use only

## **NOTICE OF ANNUAL GENERAL MEETING**

**Notice is hereby given that the Annual General Meeting of the members of HUB24 Limited will be held at Level 2, 3 Spring St, Sydney on Thursday, 27<sup>th</sup> November 2014 commencing at 1.30 p.m. (Sydney time).**

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

**Registered Office: Level 8, 20 Bridge Street, Sydney, New South Wales, Australia 2000.**  
**Tel: 02 8274 6000 Fax: 1300 781 689**

## **NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the Annual General Meeting of the members of HUB24 Limited will be held at Level 2, 3 Spring St, Sydney, on Thursday, 27 November 2014 commencing at 1.30 p.m. (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 2014.

*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 2014 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.*
- *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: ELECTION OF DIRECTOR**

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, 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: 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 again given for the existing HUB24 Share Option Plan on the terms detailed in the Explanatory Memorandum and the Company be authorised to continue to issue securities under the HUB24 Share Option Plan."

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

#### **5. RESOLUTION 4: APPROVAL OF SHARE OWNERSHIP TRUST**

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 again given for the existing HUB24 Share Ownership Trust on the terms detailed in the Explanatory Memorandum and the Company be authorised to continue to issue Shares to the HUB24 Share Ownership Trust."

*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 TO IAN KNOX, MANAGING DIRECTOR, PARAGEM**

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

"**THAT** for the purposes of ASX Listing Rule 7.1 and for all other purposes, the issue by the Company of 500,000 options to Ian Knox on the terms set out in the Explanatory Memorandum to this Notice of Meeting be approved."

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

#### **7. RESOLUTION 6: APPROVAL OF ISSUE OF OPTIONS TO CHARLIE HAYNES, EXECUTIVE DIRECTOR PARAGEM**

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

"**THAT** for the purposes of ASX Listing Rule 7.1 and for all other purposes, the issue by the Company of 500,000 options to Charlie Haynes on the terms set out in the Explanatory Memorandum to this Notice of Meeting be approved."

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

## **8. RESOLUTION 7: APPROVAL OF ISSUE OF OPTIONS TO ANDREW ALCOCK, MANAGING DIRECTOR**

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

"**THAT** for the purposes of ASX Listing Rule 10.11 and for all other purposes, the issue by the Company of 200,000 options 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:**

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:**

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

- a director of the Company (except a director who is ineligible to participate in the HUB24 Share Option Plan and the HUB24 Share Ownership Trust) 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 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:**

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 the HUB24 Share Option Plan and the HUB24 Share Ownership Trust) 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:**

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

- Mr Ian Knox, a 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 Mr Ian Knox, 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, 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:**

The Company will disregard any votes cast on Resolution 6 by:

- Mr Charlie Haynes, a 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 Mr Charlie Haynes, 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, 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 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 7:**

The Company will disregard any votes cast on Resolution 7 by:

- Mr Andrew Alcock, a 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 Mr Andrew Alcock, 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, 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 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.

## 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 Tuesday, 25 November 2014. 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.
- 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 1.30 p.m. (Sydney time) on Tuesday, 25 November 2014) at the Company's corporate registry:

By Post            Boardroom Pty Limited  
                         GPO Box 3993  
                         Sydney NSW 2001

By Hand Boardroom Pty Limited  
Level 7, 207 Kent Street  
Sydney, NSW 2000

By Facsimile +61 2 9290 9655

### **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 1.30 p.m. (Sydney time) on Tuesday, 25 November 2014).

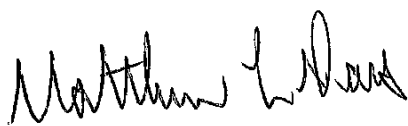
### **Corporate Representatives**

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 external Auditor, BDO East Coast Partnership will act as scrutineer for any polls that may be required at the Meeting.

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



Matthew Haes  
Company Secretary  
24 October 2014



# 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 Thursday, 27 November 2014 commencing at 1.30 p.m. (Sydney time) at Level 2, 3 Spring 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 2014 Annual Report which 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 2015 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 2015 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 the Resolution to adopt the Remuneration Report.

#### Resolution 2: Election of Director

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 30 November 2012.

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

## Profile of Mr 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 10 years in corporate finance at a leading Australian stockbroker focusing on creating, funding and executing strategies for mid to small cap ASX listed companies. Mr Webber also has experience as a director with ASX listed public companies and is currently Non-Executive Chairman of Money3 Corporation Limited and Non-Executive Director of Anchor Resources Limited. Mr Webber has a Bachelor Degree in Economics.

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

### **Resolution 3: Approval of the HUB24 Share Option Plan**

The Company adopted, and Shareholders 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 Share Option Plan) (**Plan**). Pursuant to the Plan, the Company can issue options over ordinary Shares (**Options**) 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 2011 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. Holders of ordinary securities in the Company resolved to approve the Plan at the 2011 Annual General Meeting of the Company. Since that approval a total of 2,035,000 Options have been issued under the Plan, subject to restrictions on vesting and exercise, of which 321,875 Options have since lapsed. The Company has the ability to issue up to a further 639,784 securities in aggregate under the Plan and the HUB24 Share Ownership Trust, as at the date of this Notice of Meeting.

As three years have passed since this date, 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 shares 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 the resolution to again approve the existing HUB24 Share Option Plan and the issue of securities pursuant to the Plan.

### **Resolution 4: Approval of the HUB24 Share Ownership Trust**

The Company also adopted, and Shareholders approved, an employee share ownership plan at the Annual General Meeting held in November 2011, now known as the HUB24 Share Ownership Trust (**Trust**) (formerly the Investorfirst Share Ownership Trust). Under the terms of the Trust, the Company can procure the transfer or issue of ordinary Shares in the Company to a corporate trustee (FirstFunds Limited) (**Trustee**) which is a wholly owned subsidiary of the Company, which holds such Shares on behalf of Eligible Persons on the terms of the Trust, in order to provide them with an

incentive to deliver growth and value to Shareholders, and to provide the Company with the ability to attract and retain such people. The Company also has the ability to provide funding to the Trust to enable the Trust to purchase Shares on market in order to satisfy its obligations to hold Shares on behalf of Eligible Persons.

The Company proposes to again seek approval of the Trust in addition to the Plan to provide the Company with the flexibility from time to time to issue Shares to the Trust on behalf of the Trust or to procure the transfer of Shares in the Company from third parties to the Trust, or to provide funding for the Trust to buy Shares in the Company on market on behalf of the Trust and for the benefit of Eligible Persons (as opposed to issuing Options to such persons under the Plan) so as not to dilute the issued capital of the Company held by the Shareholders.

A summary of the principal terms of the Trust is set out in Annexure B to this Explanatory Statement. A complete copy of the Trust 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 2011 Annual General Meeting;
- No shares have been issued to the Trust since shareholder approval of the Trust at the 2011 Annual General Meeting;
- 80,797 shares have been transferred from the Trust to Eligible Employees since the 2011 Annual General Meeting;
- There are currently 141,110 Shares held by the Trust on behalf of the Trust as at the date of this Notice of Meeting.

The Company has the ability to issue 639,784 securities in aggregate to the Trust of the Trust or options under the HUB24 Share Option Plan, as at the date of this Notice of Meeting.

As three years have passed since the Plan was approved by Shareholders, Shareholder approval is again sought for the operation of the Trust by the Company and the issue of Shares to the Trust (so that rights to fully paid ordinary Shares can be granted to Eligible Persons under the Trust) for the purposes of Exception 9(b) of Listing Rule 7.2. If approval is given, Shares issued to the Trust will be exempt from counting towards 15% of the issued capital of the Company that can be issued in any 12 month period without shareholder approval under Listing Rule 7.1, as set out in respect of Resolution 3 above.

The Board (excluding Andrew Alcock, who abstains from making a recommendation) recommends that Shareholders **vote in favour** of the resolution to again approve the existing HUB24 Share Ownership Trust and the issue of Shares to the Trust.

#### **Resolution 5: Approval of issue of Options to Ian Knox, Managing Director Paragem**

As outlined above, 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 the 15% limit is where the issue is approved by Shareholders at a general meeting.

The purpose of Resolution 5 is to seek Shareholder approval for the proposed issue of 500,000 Options to Mr Ian Knox, who from 4 September 2014 has been an executive of the Group. Note, Mr Knox is not a Director of the Company. As Mr Knox is not a 'related party' of the Company (as he would be if, for example, he were a Director of the Company), it is appropriate that approval for the purposes of ASX Listing Rule 7.1 (rather than ASX Listing Rule 10.11) be obtained.

Mr Knox is a former owner and executive of Paragem, which was acquired by the Company on 4 September 2014. Shareholders should note that the proposed grant of Options to Mr Knox pursuant to Resolution 5 is to create a long term incentive plan for the executive and to ensure alignment with the company's overall business.

By obtaining Shareholder approval to the issue of Options to Mr Knox, the Company is able to issue the Options (without breaching the ASX Listing Rules) and maintains the ability to issue further securities up to the 15% annual placement capacity within the next twelve months without the requirement to obtain further Shareholder approval under ASX Listing Rule 7.1

If Resolution 5 is passed, the Directors expect that 500,000 Options will be issued to Mr Knox within 30 days of this Meeting. The Directors believe the issue of Options with appropriate performance hurdles (as set out below) to KMP is an important alignment of management performance and creation of Shareholder wealth.

The Directors presently expect that the funds raised by the Company from the issue of Shares on the exercise of Options will be used for continuing investment in platform development.

### **Terms of the Options**

The terms of the 500,000 Options to be issued to Mr Knox are set out in Annexure C.

Key financial terms are that the options are for 5 years and the Exercise Price has been set at \$1.156. The Options will be subject to, and will vest based on Share price hurdles and KPIs that apply to the Options:

- (i) 166,666 of the Options will vest on the volume weighted average price for the Company's Shares in any 20 consecutive day period occurring later than 12 months after the date of issue and before the expiry date being 20% higher than the Exercise Price;
- (ii) 166,667 of the Options will vest on the volume weighted average price for the Company's Shares in any 20 consecutive day period occurring later than 24 months after the date of issue and before the expiry date being 40% higher than the Exercise Price; and
- (iii) 166,667 of the Options will vest on the volume weighted average price for the Company's Shares in any 20 consecutive day period occurring later than 36 months after the date of issue and before the expiry date being 60% higher than the Exercise Price,

and vesting of Options in each case will also be subject to the aggregate performance of the executive and the satisfaction of the following KPIs as determined by the Board in its sole discretion:

- (i) the Executive's contribution to achievement of the Company's strategic and operational plan;
- (ii) Paragem revenue growth of greater than 15% per annum with accretive profit margins; and
- (iii) the compliance of the Executive with all material regulations and laws relevant to the business conducted by the Group.

The Board recommends that Shareholders **vote in favour** of Resolution 5.

### **Resolution 6: Approval of issue of Options to Charlie Haynes, Executive Director Paragem**

The requirements regarding ASX Listing Rule 7.1 are outlined above in relation to Resolution 5.

The purpose of Resolution 6 is to seek Shareholder approval for the proposed issue of 500,000 Options to Mr Charlie Haynes, who from 4 September 2014 has been an executive of the Group. Note, Mr Haynes is not a Director of the Company. As Mr Haynes is not a 'related party' of the Company (as he would be if, for example, he were a Director of the Company), it is appropriate that approval for the purposes of ASX Listing Rule 7.1 (rather than ASX Listing Rule 10.11) be obtained.

Mr Haynes is a former owner and executive of Paragem, which was acquired by the Company on 4 September 2014. Shareholders should note that the proposed grant of Options to Mr Haynes pursuant to Resolution 6 is to create a long term incentive plan for the executive and to ensure alignment with the company's overall business.

As noted above in relation to Resolution 5, by obtaining Shareholder approval to the issue of Options to Mr Haynes the Company is able to issue the Options (without breaching the ASX Listing Rules) and maintains the ability to issue further securities up to the 15% annual placement capacity within the next twelve months without the requirement to obtain further shareholder approval under ASX Listing Rule 7.1

If Resolution 6 is passed, the Directors expect that 500,000 Options will be issued to Mr Haynes within 30 days of this Meeting. The Directors believe the issue of Options with appropriate performance hurdles (as set out below) to KMP is an important alignment of management performance and creation of Shareholder wealth.

The Directors presently expect that the funds raised by the Company from the issue of Shares on the exercise of Options will be used for continuing investment in platform development.

### **Terms of the Options**

The terms of the 500,000 Options to be issued to Mr Haynes are set out in Annexure C.

Key financial terms are that the options are for 5 years and the Exercise Price has been set at \$1.156. The Options will be subject to, and will vest based on Share price hurdles and KPIs that apply to the Options:

- (i) 166,666 of the Options will vest on the volume weighted average price for the Company's Shares in any 20 consecutive day period occurring later than 12 months after the date of issue and before the expiry date being 20% higher than the Exercise Price;
- (ii) 166,667 of the Options will vest on the volume weighted average price for the Company's Shares in any 20 consecutive day period occurring later than 24 months after the date of issue and before the expiry date being 40% higher than the Exercise Price; and
- (iii) 166,667 of the Options will vest on the volume weighted average price for the Company's Shares in any 20 consecutive day period occurring later than 36 months after the date of issue and before the expiry date being 60% higher than the Exercise Price,

and vesting of Options in each case will also be subject to the aggregate performance of the executive and the satisfaction of the following KPIs as determined by the Board in its sole discretion:

- (i) the Executive's contribution to achievement of the Company's strategic and operational plan;
- (ii) Paragem revenue growth of greater than 15% per annum with accretive profit margins; and
- (iii) the compliance of the Executive with all material regulations and laws relevant to the business conducted by the Group.

The Board recommends that Shareholders **vote in favour** of Resolution 6.

### **Resolution 7: Approval of issue of Options to Andrew Alcock, Managing Director**

ASX Listing Rule 10.11 provides that, subject to specified exceptions, Shareholder approval is required for any issue of, or agreement to issue, equity securities to a related party, which includes a director of a public company.

The purpose of Resolution 7 is to seek Shareholder approval for the proposed issue of 200,000 Options to Andrew Alcock, who is the Managing Director of the Company. As Mr Alcock is a director of the Company, and therefore a 'related party' of the Company, it is appropriate that approval for the purposes of ASX Listing Rule 10.11 (rather than ASX Listing Rule 7.1) be obtained.

By obtaining Shareholder approval to the issue of Options to Mr Alcock the Company is able to issue the Options (without breaching the ASX Listing Rules).

If Resolution 7 is passed, the Directors expect that 200,000 Options will be issued to Mr Alcock within 30 days of this Meeting. The Directors believe the issue of Options with appropriate performance hurdles to KMP is an important alignment of management performance and creation of shareholder wealth.

The Directors presently expect that the funds raised by the Company from the issue of Shares on the exercise of Options will be used for continuing investment in platform development.

### **Terms of the Options**

The terms of the 200,000 Options to be issued to Mr Alcock are set out in Annexure D.

Key financial terms are that the options are for 5 years and the Exercise Price has been set at the 20 day VWAP of the company's shares for the 20 trading days prior to 17 October 2014. The Options will be subject to, and will vest on, the achievement of a hurdle of a 60% share price increase (on the Exercise Price) of the closing share price each day in any consecutive 20 day period occurring at any time after the date that is 36 months after 17 October 2014 and before the expiry of the term of the Options.

The Board (other than Mr Alcock, 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 the ASX.

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

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

**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).

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

**Eligible Persons** means employees, contractors and salaried executive directors of the Company who are eligible to participate in the Plan and/or the Trust (as applicable).

**Executive** means Ian Knox and/or Charlie Haynes, as the context requires (collectively, the **Executives**).

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

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

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

**KPIs** means Key Performance Indicators.

**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.

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

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

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

**Remuneration Report** means the remuneration report set out in the Company's 2014 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.

**Trust** means the HUB24 Share Ownership Trust, previously approved by Shareholders at the 2011 Annual General Meeting.

**Trustee** means the trustee of the Trust, currently FirstFunds Limited ABN 97 136 394 913.

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

For personal use only



## 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.

- For personal use only
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. 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.
17. 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.
18. 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.
19. 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 reorganized 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.
20. 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 THE PRINCIPAL TERMS OF THE HUB24 SHARE OWNERSHIP TRUST

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

1. The first trustee of the Trust is FirstFunds Limited ABN 97 136 394 913, a wholly owned subsidiary of the Company (**Trustee**). The Company may replace the Trustee and appoint a new trustee in its place.
2. The Board may, from time to time, subject to any approval of the members of the Company required by law or by the ASX Listing Rules, and in accordance with the Plan, invite any of the following persons to participate in the Trust and accept the grant of Share Rights:
  - (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 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**).
3. If any Eligible Person to whom an invitation has been made wishes to participate in the Trust, the Eligible Person must make an offer to participate in the Trust within the timeframe for acceptances nominated by the Trustee. The Trustee is under no obligation to accept any offer.
4. The Trustee must, where it accepts an offer from an Eligible Person, grant to the Eligible Person on the acceptance date the number of share rights specified in the invitation pursuant to which the offer was made.
5. The Trustee agrees to hold assets vested in it by the Company on trust for the Eligible Persons whose applications to participate in being granted rights to fully paid ordinary shares (**Share Rights**) under the Trust have been accepted (**Participants**).
6. The Board will determine which Eligible Persons are offered Share Rights and the terms on which such Share Rights are offered and exercisable by Participants. Share Rights may not be transferred. Share Rights will not be quoted on ASX.
7. In order to ensure that the Trust has sufficient shares to satisfy its obligation to provide shares to a Participant upon it exercising a Share Right, the Company may issue shares to the Trustee, procure that a third party transfers shares to the Trustee or lend money to the Trustee to acquire shares in the Company on market. All shares held by the Trustee will be held on behalf of Participants on the terms of the Trust.
8. The Company may lend money or provide funds by way of grant to the Trust from time to time within a reasonable time of being requested to do so by the Trustee.

- For personal use only
9. If at any time after the grant of Share Rights to a Participant there is a pro-rata issue of bonus shares and if after the record date for determining entitlements in relation to the issue of bonus shares the Participant exercises any share rights, the Participant will be entitled to have the Trustee hold on his or her behalf the number of bonus shares which the Participant would have been entitled to had the Participant been entitled to exercise the relevant Share Rights on or before the record date and had done so.
  10. Once a Participant is entitled to exercise a Share Right and call for the issue of those shares to it from the Trustee (**Allocated Shares**) a Participant will also be entitled to any bonus share issued or dividend declared by the Company in respect of Allocated Shares held by the Trustee on behalf of that Participant. A Participant will be entitled to receive all distributions paid on Allocated Shares as soon as practicable after receipt by the Trustee of the distributions.
  11. Participants will be entitled to participate in any reorganisation or other alteration of capital in accordance with the terms set out in the Trust.
  12. A Participant may, not later than four Business Days prior to any general meeting of the Company, direct the Trustee in writing as to how to vote Allocated Shares held by the Trustee on behalf of that Participant at that general meeting.
  13. A Participant may exercise a Share Right at any time during the exercise period set out in their invitation letter provided that:
    - (a) the Participant exercises at least a minimum parcel;
    - (b) the exercise conditions (if any) in respect of the exercise of the Share Rights have been satisfied prior to the Participant giving the Trustee notice of the exercise; and
    - (c) the settlement date is at least 10 Business Days but not more than 3 months following the date the Company receives the notice of exercise.
  14. The Share Rights of a Participant will lapse and terminate on the first to occur of:
    - (a) the last day of the exercise period for the Share Rights immediately prior to the expiry date;
    - (b) three months after the date of receipt by the Participant of a notice from the Trustee allowing the Participant to exercise all but not some of their Share Rights where either the Participant is a Good Leaver or an accelerated vesting event has occurred (and these terms have the same meaning as is set out in the Plan summary in Annexure A);
    - (c) the Participant ceasing to be an Eligible Person other than as a Good Leaver;
    - (d) the Participant owning, having an interest in or controlling 5% or more of the issued capital or voting power of the Company;
    - (e) a Disqualifying Event (as defined in the Plan Summary in Annexure A) occurring in relation to the Participant; and
    - (f) a distribution of the Trust Fund by the Trustee.
  15. Participants may also be able to salary sacrifice their exercise of Share Rights. Each time a salary sacrifice is made by a Participant, an amount of the exercise price of Share Rights to which the offer related will be taken to have been paid.
  16. A Participant may, at any time, pre-pay to the Trustee the whole or any part of the unpaid amount of the exercise price of Share Rights which the Participant may exercise.

17. A Participant must pay the whole of the unpaid amount of the Exercise Price of Share Rights to the Trustee:
- (a) on the settlement date (being within 3 months of the date on which the Share Rights were exercised);
  - (b) on exercise of Share Rights by a Participant in the circumstances described in item 14(b) above; or
  - (c) if directed by the Company, on termination of the employment of the Participant with the Company (where the Participant is a Good Leaver) provided that a Disqualifying Event has not occurred.
18. If a Participant is required to make a payment to the Trustee as set out in item 17 above and does not do so, the Participant agrees to forfeit his or her interest in that number of Allocated Shares (rounded up to the nearest whole number), the aggregate market value of which (calculated on the business day immediately prior to the settlement date) equals the unpaid amount of the exercise price.
19. If all of the Participant's interest in Allocated Shares is forfeited and there is still an amount of the exercise price of the Participant's exercised Share Rights outstanding, the Participant must pay that outstanding amount to the Trustee within 14 days of being notified of the shortfall.
20. If a Disqualifying Event occurs in respect of a Participant, that Participant's interest in any shares held as part of the assets of the Trust is immediately forfeited.
21. The Company may in its absolute discretion from time to time by notice in writing direct the Trustee to apply any forfeited share or unallocated share in one or more of the following ways:
- (a) to hold such a share for the benefit of, or to transfer it to, any Participant or other Eligible Person;
  - (b) to apply the proceeds from the sale of any forfeited share or unallocated share to repay any loan provided by the Company to the Trust; or
  - (c) to transfer such a share to any provident, benefit, superannuation or retirement fund established and maintained by the Company or for the Company's employees in which the Company is not beneficially interested.
22. The Trustee is entitled to be indemnified on a full indemnity basis out of the assets for any liability incurred by the Trustee in performing or exercising any of its powers or duties in relation to the Trust.
23. The Trustee may make such adjustments as it thinks fit to the shares and benefits distributable to Participants (including on withdrawal) so as to provide for or to pay any tax or other charges that may accrue to the Trustee in respect of the operation of the Trust.
24. All expenses incurred by the Trustee in connection with the Trust or in performing its obligations under this deed are payable or reimbursable by the Company, to the extent they are not met out of the assets of the Trust.
25. Although salaried or executive directors are eligible to be offered Share Rights under the Trust, this would first require specific shareholder approval under the ASX Listing Rules and potentially the Corporations Act.

## ANNEXURE C

### TERMS OF OPTIONS PROPOSED TO BE ISSUED TO EACH OF IAN KNOX & CHARLIE HAYNES

Total number of Options granted	<p>500,000 Options to each of the Executives, each of which entitles the holder to subscribe for one Share on and subject to the terms of the Options.</p> <p>Where the Company is unable to obtain the shareholder approvals to issue the Options required by the ASX Listing Rules ,and is otherwise unable under the ASX Listing Rules to issue the Options, by the date any relevant vesting conditions are satisfied for each parcel of Options as set out in 'Vesting conditions' below, the Executive will instead receive a cash amount equal to the value of the Shares the Executive would have been entitled to receive equal to the volume weighted average price for the Shares in the 20 Business Days leading up to the date that the Executive gives notice to the Company to make such payment (the Executive being entitled to give such notice if the Executive would otherwise have been entitled to give notice to exercise those Options if those Options had been issued) less the aggregate exercise price payable in respect of such Options, payable within 20 Business Days of such notice.</p>
Issue date	Within 30 days of Shareholder approval.
Issue price	No amount is payable for issue of the Options.
Quotation	The Options will not be quoted on ASX or any other exchange.
Exercise price	\$1.156
Expiry date	The expiry date of the Options is 5 years after the date of issue.
Forfeiture conditions	The Options are subject to forfeiture if the Executive is a 'Bad Leaver' as defined in the Share Sale Deed between the Executive, the Company and others dated 19 August 2014. Designation as a 'Bad Leaver' requires a material breach of employment conditions or restraint.
Vesting conditions	<p>Vesting conditions based on Share price hurdles and KPIs will apply to the Options:</p> <ul style="list-style-type: none"> <li>(i) 166,666 of the Options will vest on the volume weighted average price for the Company's Shares in any 20 consecutive day period occurring later than 12 months after the date of issue and before the expiry date being 20% higher than the Exercise Price;</li> <li>(ii) 166,667 of the Options will vest on the volume weighted average price for the Company's Shares in any 20 consecutive day period occurring later than 24 months after the date of issue and before the expiry date being 40% higher than the Exercise Price; and</li> <li>(iii) 166,667 of the Options will vest on the volume weighted average price for the Company's Shares in any 20 consecutive day period occurring later than 36 months</li> </ul>

	<p>after the date of issue and before the expiry date being 60% higher than the Exercise Price,</p> <p>and vesting of Options in each case will also be subject to the aggregate performance of the executive and the satisfaction of the following KPIs as determined by the Board in its sole discretion:</p> <ul style="list-style-type: none"> <li>(i) the Executive's contribution to achievement of the Company's strategic and operational plan;</li> <li>(ii) Paragem revenue growth of greater than 15% per annum with accretive profit margins; and</li> <li>(iii) the compliance of the Executive with all material regulations and laws relevant to the business conducted by the Group.</li> </ul> <p>If the Executive's employment with the Group ceases for any reason the KPIs will no longer be relevant for the purposes of determining the vesting of the Options (but the Share price hurdles above will still apply).</p> <p>All outstanding Options will vest, and 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 treaty, 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.</p>
Exercise rights	<p>Options that have vested will be exercisable at any time from the date that is 24 months after the date of issue and before the expiry date.</p> <p>The Executive may exercise such number of Options (that have vested) prior to the date that is 24 months after the date of issue if the Executive is required to fund any taxation obligation directly arising from the satisfaction of any vesting conditions.</p>
Lapse of Options	Options that may be exercised and are not exercised by the expiry date will automatically lapse.
Disposal restrictions	<p>Options are not transferrable.</p> <p>Sale of the Shares issued on exercise of the Options will be restricted for a period of two years after the date of issue of such Shares. However, the sale of a portion of such Shares to fund taxation obligations directly arising from the satisfaction of any vesting conditions or exercise of the Options will be permitted, subject to compliance with legal obligations in respect of the sale of such Shares.</p>
Issue of Shares on exercise of Options	<p>On exercise, each Option 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.</p>



## ANNEXURE D

### TERMS OF OPTIONS PROPOSED TO BE ISSUED TO ANDREW ALCOCK

Total number of Options granted	200,000 Options, each of which entitles the holder to subscribe for one Share on and subject to the terms of the Options.
Issue date	Within 30 days of Shareholder approval.
Issue price	No amount is payable for issue of the Options.
Quotation	The Options will not be quoted on ASX or any other exchange.
Exercise price	\$0.98
Expiry date	17 October 2019
Forfeiture conditions	The Options are subject to forfeiture on termination of Mr Alcock's employment by the Company or Mr Alcock. If, however, Mr Alcock is considered a 'Good Leaver' by the Board or his employment ends by reason of death or becoming (in the Board's view) totally and permanently disabled, or the occurrence of such other event as the Board determines in its sole discretion, Mr Alcock's Options will not be forfeited.
Vesting conditions	Vesting conditions based on share price hurdles will apply to the Options. The 200,000 Options will be subject to, and will vest on, the achievement of a hurdle of a 60% share price increase (on the Exercise Price) of the closing share price each day in any consecutive 20 day period occurring at any time after the date that is 36 months after 17 October 2014 and before the expiry of the term of the Options. All outstanding Options will vest, and 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 treaty, 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.
Lapse of Options	Options that may be exercised and are not exercised by the expiry date will automatically lapse.
Disposal restrictions	Options are not transferrable. 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 to fund taxation obligations directly arising from the exercise of the Options will be permitted, subject to compliance with legal obligations in respect of the sale of such Shares.
Issue of Shares on exercise of Options	On exercise, each Option will be converted to a Share ranking equally with the Company's existing Shares. The Company will apply to ASX for quotation of the new Shares issued on the exercise of the Options.

**All Correspondence to:**

✉ **By Mail** Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001 Australia

Level 7, 207 Kent Street,  
Sydney NSW 2000 Australia

📠 **By Fax:** +61 2 9290 9655

💻 **Online:** [www.boardroomlimited.com.au](http://www.boardroomlimited.com.au)

☎ **By Phone:** (within Australia) 1300 737 760  
(outside Australia) +61 2 9290 9600

## YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 1:30pm (AEDT) on Tuesday, 25<sup>th</sup> November 2014.**

### TO VOTE BY COMPLETING THE PROXY FORM

#### STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the Meeting, the Chair of the Meeting will be your proxy. A proxy need not be a security holder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

#### Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the Meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities 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.
- return both forms together in the same envelope.

#### STEP 2 VOTING DIRECTIONS TO YOUR PROXY

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

#### Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

#### STEP 3 SIGN THE FORM

The form **must** be signed as follows:

**Individual:** This form is to be signed by the securityholder.

**Joint Holding:** where the holding is in more than one name, all the securityholders should sign.

**Power of Attorney:** to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

#### STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the Meeting, therefore by **1:30pm (AEDT) on Tuesday, 25<sup>th</sup> November 2014.** Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

📠 **By Fax** + 61 2 9290 9655

✉ **By Mail** Boardroom Pty Limited  
GPO Box 3993,  
Sydney NSW 2001 Australia

👤 **In Person** Level 7, 207 Kent Street,  
Sydney NSW 2000 Australia

#### Attending the Meeting

If you wish to attend the Meeting please bring this form with you to assist registration.

**Your Address**  
This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

**PROXY FORM**

**STEP 1 APPOINT A PROXY**

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

the Chair of the Meeting (mark box)

OR if you are NOT appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held at Level 2, 3 Spring Street, Sydney NSW 2000 on Thursday, 27 November 2014 at 1:30pm and at any adjournment of that Meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

**Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters (ie. Resolutions 1 & 3-7):** If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of any or all of Resolution 1 and Resolutions 3 to 7 (inclusive), I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of these Resolutions even though they are connected with the remuneration of a member of the key management personnel for HUB24 Limited.

**The Chair of the Meeting will vote all undirected proxies in favour of all Items of business (including Resolutions 1 & 3-7).** If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote for, against, or to abstain from voting on a Resolution, you must provide a direction by marking the 'For', 'Against' or 'Abstain' box opposite that Resolution (as applicable).

**STEP 2 VOTING DIRECTIONS**

\* 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 vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 1	To Adopt the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Election of Vaughan Webber as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval of Employee Share Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of Share Ownership Trust	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval of Issue of Option to Ian Knox	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval of issue of Options to Charlie Haynes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Approval of issue of Options to Andrew Alcock	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**STEP 3 SIGNATURE OF SHAREHOLDERS**

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2014