

**27 October 2020**

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**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 and Phillip Street, Sydney on Thursday, 26 November 2020 commencing at 1.00pm (Sydney, Australia 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: +61 2 9247 6428**

## **NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the 2020 Annual General Meeting of the Shareholders of HUB24 Limited ACN 124 891 685 (**Company**) will be held at the Warrane Theatre, Museum of Sydney, Corner of Bridge and Phillip St, Sydney, Australia on Thursday, 26 November 2020 commencing at 1.00pm (Sydney, Australia time).

Terms used but not defined in this document have the meaning given to them in the Glossary on page 24.

Shareholders will be able to view the Meeting by accessing the following website <https://webcast.openbriefing.com/6697/>. To do this you will need a desktop or mobile / tablet device with internet access.

**Shareholders should note that the Company will comply with the Australian Government's (or Chief Medical Officer's) latest advice in respect of physical distancing and public activities in relation to the conduct of the Meeting.**

Shareholders who are unable to attend the Meeting may wish to appoint a proxy by completing and returning the Proxy Form enclosed with this Notice. In the light of the restrictions on public gatherings in response to the COVID-19 pandemic, the Company encourages Shareholders to appoint the Chairman of the Meeting as their proxy.

Shareholder / proxyholder participation (as relevant) in the Meeting is possible by:

- voting in person at the Meeting
- appointment of a proxy; and
- submission of questions to the Company's share registry provider in advance of the Meeting or at the Meeting.

We strongly encourage the use of the question form enclosed with this Notice to submit questions in advance of the Meeting.

This Notice is an important document and should be read in its entirety. The explanatory memorandum attached to this Notice (**Explanatory Memorandum**) provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form enclosed with this Notice are part of this Notice.

### **Items of Business**

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

To receive and consider the Company's Financial Report, Directors' Report and the Auditor's Report for the Company and its controlled entities for the year ended 30 June 2020.

*Note: There is no requirement for the Shareholders to approve these reports or vote on this item of business.*

## **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 2020 be adopted.”

*Notwithstanding 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:*

- *in accordance with section 250R(3) of the Corporations Act 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 – 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 64.1 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 due to his personal interest in this Resolution) recommends that Shareholders **vote in favour** of this Resolution.*

## **4. RESOLUTION 3: ELECTION OF DIRECTOR – RUTH STRINGER**

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

**“THAT** Ruth Stringer, a non-executive director of the Company, who was appointed to the office of Director by the Board to fill a casual vacancy and who retires from the office of Director in accordance with rule 63.2 of the Constitution and ASX Listing Rule 14.4, being eligible and offering herself for re-election, be re-elected as a Director of the Company.”

*The Board (excluding Ruth Stringer, who abstains from making a recommendation due to her personal interest in this Resolution) recommends that Shareholders **vote in favour** of this Resolution.*

## **5. RESOLUTION 4: 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 33,558 Options and 301,395 Performance Rights to Andrew Alcock

on the terms set out in the Explanatory Memorandum to this Notice be approved."

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

#### **6. RESOLUTION 5: 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 13(b) of ASX Listing Rule 7.2, and for all other purposes, approval be given for the issue of securities under the existing HUB24 Employee Share Option Plan, the terms of which are detailed in the Explanatory Memorandum."

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

#### **7. RESOLUTION 6: ADOPTION OF AMENDED CONSTITUTION**

To consider and, if thought fit, pass the following resolution as a special resolution:

**"THAT** for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to amend its existing Constitution and replace it with the document titled 'Constitution of HUB24 Limited' tabled at the Meeting and signed by the Chairman of the Meeting for the purposes of identification, with effect from the close of the Meeting."

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

#### **8. RESOLUTION 7: INCREASING THE MAXIMUM AGGREGATE REMUNERATION OF NON-EXECUTIVE DIRECTORS**

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

"THAT for the purposes of rule 19.1 of the Constitution, ASX Listing Rule 10.17 and all other purposes, the maximum aggregate remuneration payable to the Non-Executive Directors of the Company in a financial year be increased by \$100,000, from \$800,000 to \$900,000.

*As the Directors may have an interest in the outcome of this Resolution, they abstain from making a recommendation to Shareholders as to how to vote in relation to this Resolution.*

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

#### **9. MANAGING DIRECTOR'S PRESENTATION-ANDREW ALCOCK**

## Voting Exclusions

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

The Company will disregard any votes cast on Resolution 1:

- in any capacity by or on behalf of a member of the Company's key management personnel (**KMP**), details of whose remuneration are included in the Company's Remuneration Report for the year ended 30 June 2020, or by any closely related parties of a KMP (such as certain family members, dependents and companies they control) regardless of the capacity in which the vote is cast; or
- as a proxy, by a person who is a member of the KMP of the Company at the date of the Meeting, or by any of their closely related parties, unless the vote is cast as a proxy for a person entitled to vote on Resolution 1 (i) in accordance with a direction in the Proxy Form, or (ii) by the Chairman of the Meeting pursuant to an express authorisation in the Proxy Form to vote an undirected proxy.

The Chairman of the Meeting intends to vote undirected proxies (where he has been appropriately authorised) in favour of this Resolution, to the extent permitted by law. If a Shareholder appoints the Chairman of the Meeting as their proxy, expressly or by default, and they do not direct the Chairman of the Meeting how to vote on a resolution, by completing and returning the Proxy Form they will be expressly authorising the Chairman of the Meeting to exercise the proxy and vote as the Chairman of the Meeting sees fit on a resolution, even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP of the Company.

### **Voting exclusion statement – Resolution 4 (Issue of Options and Performance Rights to Andrew Alcock):**

The Company will disregard any votes cast on Resolution 4:

- by or on behalf of Mr. Andrew Alcock (being the only Director entitled to participate in the LTI Plans); or
- by any associate of Mr. Andrew Alcock,

regardless of the capacity in which the vote is cast.

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

- it is cast by a person as proxy or attorney for a person who is entitled to vote on Resolution 4, in accordance with the directions given to the proxy or attorney to vote on Resolution 4 in that way; or
- it is cast by the Chairman of the Meeting as proxy or attorney for a person who is entitled to vote on Resolution 4, in accordance with an express direction given to the Chairman of the Meeting to vote on Resolution 4 as the Chairman of the Meeting decides; or
- it is cast by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Resolution 4; and (ii) the holder votes on Resolution 4 in accordance with directions given by the beneficiary to the holder to vote in that way.

The Chairman of the Meeting intends to vote undirected proxies (where he has been appropriately authorised) in favour of this Resolution, to the extent permitted by law. If a Shareholder appoints the Chairman of the Meeting as their proxy, expressly or by default, and they do not direct the Chairman of the Meeting how to vote on a resolution, by completing and returning the Proxy Form they will be expressly authorising the Chairman of the Meeting to exercise the proxy and vote as the Chairman of the Meeting sees fit on a resolution, even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP of the Company.

### **Voting exclusion statement – Resolution 5 (Approval of Employee Share Option Plan):**

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

- or on behalf of a person who is eligible to participate in the Employee Share Option Plan or any of their respective associates; and
- 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 or attorney for a person who is entitled to vote on Resolution 5, in accordance with the given to the proxy or attorney to vote on Resolution 5 in that way; or
- it is cast by the Chairman of the Meeting as proxy or attorney for a person who is entitled to vote on Resolution 5, in accordance with an express direction given to the Chairman of the Meeting to vote on Resolution 5 as the Chairman of the Meeting decides; or

- it is cast by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Resolution 5; and (ii) the holder votes on Resolution 5 in accordance with directions given by the beneficiary to the holder to vote in that way.

The Chairman of the Meeting intends to vote undirected proxies (where he has been appropriately authorised) in favour of this Resolution, to the extent permitted by law. If a Shareholder appoints the Chairman of the Meeting as their proxy, expressly or by default, and they do not direct the Chairman of the Meeting how to vote on a resolution, by completing and returning the Proxy Form they will be expressly authorising the Chairman of the Meeting to exercise the proxy and vote as the Chairman of the Meeting sees fit on a resolution, even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP of the Company.

**Voting exclusion statement – Resolution 7 (Approval of increase to Director remuneration):**

The Company will disregard any votes cast on Resolution 7 by or on behalf of a Director or any of their respective associates.

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

- it is cast by a person as proxy or attorney for a person who is entitled to vote on Resolution 7, in accordance with the given to the proxy or attorney to vote on Resolution 7 in that way; or
- it is cast by the Chairman of the Meeting as proxy or attorney for a person who is entitled to vote on Resolution 7, in accordance with an express direction given to the Chairman of the Meeting to vote on Resolution 7 as the Chairman of the Meeting decides; or
- it is cast by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Resolution 7; and (ii) the holder votes on Resolution 7 in accordance with directions given by the beneficiary to the holder to vote in that way.

The Chairman of the Meeting intends to vote undirected proxies (where he has been appropriately authorised) in favour of this Resolution, to the extent permitted by law. If a Shareholder appoints the Chairman of the Meeting as their proxy, expressly or by default, and they do not direct the Chairman of the Meeting how to vote on a resolution, by completing and returning the Proxy Form they will be expressly authorising the Chairman of the Meeting to exercise the proxy and vote as the Chairman of the Meeting sees fit on a resolution, even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP of the Company.

## **Explanatory Memorandum**

Shareholders are referred to the Explanatory Memorandum accompanying materials which form part of this Notice.

## **Questions**

In accordance with the Corporations Act and the Company's policy, reasonable opportunity will be provided to Shareholders during the Meeting to:

- a) ask questions about or make comments on the management or performance of the Company, and on the Remuneration Report; and
- b) ask the Company's auditor questions relevant to the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by the Company and the independence of the auditor.

A Shareholder may also submit a written question to the Company's auditor, Deloitte, in relation to the content of the auditor's report or the conduct of the audit in relation to the annual financial report for the year ended 30 June 2020. Questions must be submitted to the Company no later than 5:00pm (AEDT) on Thursday, 19 November 2020 in accordance with section 250PA(1) of the Corporations Act and can be lodged online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) or sent to:

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

The questions submitted will be immediately forwarded to Deloitte who will answer these questions at the Meeting.

Shareholders who prefer to register questions in advance of the Meeting are invited to do so.

A Shareholder Question Form has been included with this Notice and is also available on the Company's website at <https://www.hub24.com.au/shareholder-centre/>. The Company will attempt to address the more frequently asked questions in the Chairman's welcome and the Managing Director's presentation to the Meeting. Written questions must be received by the Company or Link Market Services Limited by 5.00pm (AEDT) on Thursday, 19 November 2020, and can be submitted online, by mail, by fax or in person (as set out on the top of the Shareholder Question Form).

Shareholders will also have the ability to raise questions during the Meeting for those attending in person.

### **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 2001* (Cth)) 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, Australia time) on Tuesday, 24 November 2020. Accordingly, Share transfers registered after that time will be disregarded in determining entitlements to vote at the Meeting. Body corporates may vote by appointing a corporate representative. Each registered Shareholder has one vote for each fully paid share on a poll.

### **All resolutions will be by Poll**

Each Resolution considered at the Meeting will be conducted by a poll. The Board considers voting by poll to be in the interests of the Shareholders as a whole and ensures the views of as many Shareholders as possible are represented 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 Chairman of the Meeting, 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, Shareholders are advised of the following:



- a Shareholder entitled to attend and vote at the Meeting 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 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; 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.

The Chairman of the Meeting intends to vote undirected proxies in favour of the Resolutions set out in this Notice of Meeting, to the extent permitted by law. If a Shareholder appoints the Chairman of the Meeting as their proxy, expressly or by default, and they do not direct the Chairman of the Meeting how to vote on a Resolution, by completing and returning the Proxy Form they will be expressly authorising the Chairman of the Meeting to exercise the proxy and vote as the Chairman of the Meeting sees fit on a Resolution, even if the Resolution is connected directly or indirectly with the remuneration of a member of the KMP of the Company.

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 1.00pm (Sydney, Australia time) on Tuesday, 24 November 2020) 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

### **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, provide to the Company evidence of his or her appointment ahead of the Meeting, including any authority under which it is signed, unless it has previously been given to the Company.

### **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, Australia time) on Tuesday, 24 November 2020).

### **Scrutineer**

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

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

A handwritten signature in black ink, appearing to read 'P. Howard', with a stylized flourish at the end.

Paul Howard  
Joint 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.

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

#### **Item 1: Financial Statements and Reports**

The Company's 2020 Annual Report, which includes the Financial Report and the Reports of the Directors and of the Company's auditor for the year ended 30 June 2020, is available at [www.hub24.com.au](http://www.hub24.com.au).

Printed copies of the 2020 Annual Report have only been mailed to those Shareholders who have elected to receive a printed copy. We encourage all Shareholders to reconsider the use of printed materials and encourage you to change your election to receive these electronically. Please update your preferences regarding election communications at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

There is no requirement under the Corporations Act or the Constitution for a formal resolution on this item and, as such, there will be no formal resolution put to the Meeting. However, Shareholders will be given a reasonable opportunity to ask questions about or make comments on the Company's Financial Report, the Directors' Report and Auditor's Report, and the management of the Company.

As part of the written Shareholder question process prior to the Meeting, Shareholders may submit written questions about the Auditor's Report and the conduct of the audit. The questions must be submitted as per the directions on the Shareholder Question Form by 5.00pm (AEDT) on Thursday, 19 November 2020. The Company's auditor will attend the Meeting, and the Chairman of the Meeting will provide a reasonable opportunity for Shareholders to ask questions relevant to the audit.

No Shareholder vote is required on this item of business.

#### **Resolution 1: Remuneration Report**

Shareholders are asked to adopt the Company's Remuneration Report. The Remuneration Report is in the 2020 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 2021 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 2021 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 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 – Anthony McDonald**

Pursuant to rule 64.1 of the Constitution and ASX Listing Rule 14.4, retiring director Anthony McDonald being eligible to do so, has offered himself for re-election. Anthony McDonald, a non-executive director of the Company, was last elected by Shareholders at the Company's annual general meeting held on 19 November 2018.

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

#### **Profile of Anthony McDonald**

The biography of Mr McDonald is set out in the Company's Annual Report (located at <https://www.hub24.com.au/shareholder-centre/>).

Anthony was appointed to the Company's Board on 1 September 2015 and is Chair of the Remuneration and Nomination Committee.

The Board (excluding Anthony McDonald, who abstains from making a recommendation due to his personal interest in this Resolution) recommends supporting the re-election of Anthony McDonald and recommends that Shareholders **vote in favour** of Resolution 2.

### **Resolution 3: Election of Director – Ruth Stringer**

Pursuant to rule 63.2 of the Constitution and ASX Listing Rule 14.4, Ruth Stringer (who was appointed by the Board to fill a casual vacancy) retires and, being eligible to do so, has offered herself for election. Ms Stringer, a non-executive director of the Company, was appointed by the Company's Board on 1 February 2020.

This Resolution seeks Shareholder approval for the re-election of Ms. Ruth Stringer.

#### **Profile of Ms Stringer**

The biography of Ms Stringer is set out in the Company's Annual Report (located at <https://www.hub24.com.au/shareholder-centre/>).

Ruth was appointed to the Company's Board by the Directors on 1 February 2020 to fill a casual vacancy and is a member of the Audit, Risk and Compliance Committee.

The Board (excluding Ruth Stringer, who abstains from making a recommendation due to her personal interest in this Resolution) recommends supporting the re-election of Ruth Stringer and recommends that Shareholders **vote in favour** of Resolution 2.

### **Resolution 4: Approval of issue of Options and Performance Rights to Andrew Alcock**

Resolution 4 seeks approval, for the purposes of ASX Listing Rule 10.14 and for all other purposes, of the grant of 33,558 Options, and 301,395 Performance Rights in FY21 to the Company's Managing Director, Mr. Andrew Alcock, on the terms and conditions set out in this Explanatory Memorandum and the HUB24 Employee 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 this Explanatory Memorandum.

## **Background**

The Board has set Mr. Alcock's remuneration package for FY21 to include the grant of Options and Performance Rights 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 FY20 that was approved by Shareholders at last year's Annual General Meeting and the remuneration of other key executives of the Company which has already been approved by the Board on similar terms as proposed in this Resolution 4 for Mr. Alcock. As described below, the FY21 Performance Rights to be granted to Mr Alcock include both 'Ordinary Performance Rights' and 'Special Performance Rights' (each as defined and described below), whereas FY20 included 'Ordinary Performance Rights' only.

The Board has reviewed the overall alignment of Mr. Alcock's and other key executives long term incentives, including the Options and Performance Rights which are currently on issue and the timing for satisfaction of the vesting conditions applying to those Options and Performance Rights. These are typically measured over a three year performance period and align with the long term interests of shareholders. For FY21, the Board has designed an additional long term incentive for Mr. Alcock and other key executives of the Company that seeks to align their interests with the interests of Shareholders and to motivate and retain key executives over a longer term 5-year period, in addition to the usual grant of Options and Performance rights to Mr. Alcock and key executives which have a three year performance period. This additional long term incentive involves the grant of what are referred to in this Resolution 4 as 'Special Performance Rights' which are granted on, and subject to, the terms and conditions set out below.

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.

ASX Listing Rule 10.14 provides that a company may not issue securities to a director under an employee incentive scheme without the approval of holders of ordinary shares. If Shareholder approval is obtained under ASX Listing Rule 10.14, the issue of the Options and Performance Rights to Mr. Alcock will not count towards the Company's capacity to issue equity securities under ASX Listing Rule 7.1. Accordingly, Shareholder approval is sought for the grant of 33,558 Options and 301,395 Performance Rights to Mr. Alcock under the HUB24 LTI Plans.

In accordance with the requirements of ASX Listing Rule 10.15, the following information is provided in respect of the proposed grant of the Options and the Performance Rights the subject of this Resolution 4 to Mr. Alcock:

### ***Name of the person receiving the securities and the category in ASX Listing Rules 10.14.1 – 10.14.3 the person falls within and why***

The Options and Performance Rights the subject of this Resolution 4 will be issued to Mr. Andrew Alcock, who is a Director.

### ***The number and class of securities proposed to be issued to Mr. Alcock under the HUB24 LTI Plans for which approval is being sought under ASX Listing Rule 10.14***

The maximum number of Options to be issued to Mr. Alcock pursuant to this Resolution 4 is 33,558 (which on vesting will entitle Mr. Alcock to be issued 33,558 Shares).

The maximum number of Performance Rights to be issued to Mr. Alcock pursuant to this Resolution 4 is 301,395 (which on vesting will entitle Mr. Alcock to be issued 301,395 Shares). Of these Performance Rights 31,395 Performance Rights are referred to in this Explanatory Memorandum as the '**Ordinary Performance Rights**' and 270,000 Performance Rights are referred to in this Explanatory Memorandum as the '**Special Performance Rights**'. The Special Performance Rights are designed to recognise the key person contribution by the Managing Director in leading the growth

of the Company and designed to retain and incentivise Mr Alcock to lead the Company through a further period of 5 years.

***Details of Mr. Alcock's current total remuneration package***

Mr. Alcock's maximum remuneration package, effective from 1 December 2020, is \$910,000, comprising \$520,000 as total fixed remuneration (inclusive of superannuation) and \$390,000 as the maximum amount he can earn as variable, short term incentive remuneration. Mr. Alcock is also entitled to the LTI incentives which are the subject of this Resolution 4. Shareholders are referred to the Company's Remuneration Report for further details of Mr. Alcock's remuneration.

***The date or dates on or by which the Company will issue the Options and Performance Rights to Mr. Alcock***

If Shareholder approval is obtained for the grant of the Options and Performance Rights the subject of this Resolution 4, the Options and Performance Rights will be granted to Mr. Alcock within 30 days of Shareholder approval.

***The number of securities that have previously been issued to Mr. Alcock under the HUB24 LTI Plans and the average acquisition price (if any) paid by Mr. Alcock for those securities***

Since Mr. Alcock's employment commenced with the Company in 2013, the Company has granted the following Options and Performance Rights to Mr. Alcock under the HUB24 LTI Plans:

- 800,000 Options which were granted to Mr. Alcock during the course of 2013 and 2014 with such Options having an average exercise price of \$0.88 per Option. The Share price as at 27 June 2014 was \$0.83;
- 440,491 Options which were granted to Mr Alcock during the period from 2014 to the date of this Notice with such Options having an average exercise price of \$6.11 per Option. None of these Options have been exercised by Mr. Alcock at the date of this Notice; and
- 184,752 Performance Rights have been granted to Mr. Alcock since the commencement of his employment with the Company. These Performance Rights were granted for nil consideration and no consideration is payable by Mr. Alcock to exercise these Performance Rights.

With respect to each of the Options and Performance Rights referred to above, no consideration was payable by Mr. Alcock to acquire such Options and Rights.

***Details required where the securities to be issued are not fully paid ordinary securities***

A summary of the material terms upon which the Options and Performance Rights will be issued is set out below.

***The price at which the Company will issue the Options and Performance Rights to Mr. Alcock under the HUB 24 LTI Plans***

The Options and Performance Rights the subject of this Resolution 4 will be issued to Mr. Alcock for nil consideration. Each Option will have an exercise price of \$14.29. No consideration will be payable by Mr. Alcock to acquire Shares on vesting and exercise of the Performance Rights.

***A summary of the material terms of the HUB 24 LTI Plans***

A summary of the material terms of HUB24 Employee Share Option Plan is set out in Annexure A to this Explanatory Memorandum.

A summary of the material terms of the HUB24 Performance Rights Plan is set out in Annexure B to this Explanatory Memorandum.

No loan will be provided to Mr. Alcock in connection with the issue of the Options and Performance Rights the subject of this Resolution 4.

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, along with a statement that approval for the issue of securities was obtained under ASX Listing Rule 10.14.

Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the HUB24 LTI Plans after this Resolution 4 is approved and who were not named in this Notice of Meeting will not participate until approval is obtained under ASX Listing Rule 10.14.

### **Key terms of the grant of Options and Performance Rights**

A brief overview of the key terms 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 FY21, Mr. Alcock is entitled to the grant of 33,558 Options and 31,395 Ordinary Performance Rights under the HUB24 LTI Plans with a value based upon 100% of his current total fixed remuneration. In addition there are 270,000 Special Performance Right to be issued over a five year performance period under the HUB24 LTI Plans.

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

The FY21 three year LTI grant to Mr. Alcock is made up of 33,558 Options and 31,395 Ordinary Performance Rights. In addition, there are 270,000 Special Performance Rights to be issued to Mr. Alcock pursuant to this Resolution 4 which have vesting conditions which apply a five year performance period.

Each Option and Performance Right provides an entitlement to one Share, subject to achievement of performance hurdles and satisfaction of vesting conditions (each of which are described in this Explanatory Memorandum). No consideration will be payable for the issue of Options or Performance Rights, however, an exercise price of \$14.29 per Option will be payable by Mr Alcock to exercise each Option. No exercise price will be payable in respect of the issue of Shares on exercise of the Performance Rights.

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

The number of Options and Ordinary and Performance Rights to be issued to Mr. Alcock pursuant to this Resolution 4 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 40% to Options and 60% to Ordinary Performance Rights.

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 Hoadley simulation methodology which is a value of \$7.87 for Options based on the PC1 (defined below) FUA target and \$5.11 for Options based on the PC2 (defined below) ATSR growth.

For the purpose of calculating the number of Ordinary Performance Rights to be issued, the maximum value of LTI to be awarded in Ordinary Performance Rights is determined based on the Hoadley simulation methodology which is a value of \$14.62 based on FUA target and \$7.53 for Ordinary Performance Right based on the 2<sup>nd</sup> performance condition ATSR growth. 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 25 August 2020, which VWAP is \$14.29.

For the purpose of calculating the number of Special Performance Rights to be issued, the number of Performance Rights to be issued is determined based on aligning strategic growth and FUA targets with executive retention and performance over a five year period. The number of Special

Performance Rights proposed to be granted to Mr. Alcock is reflective of the challenge in strategically managing the transformation across the industry to capture significant growth opportunities while retaining key executive leadership for consistency over the next five years.

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 24 August 2020. The exercise price of each Option based on this calculation is \$14.29.

On this basis, Shareholder approval is sought for the grant of 33,558 Options and 301,395 Performance Rights in FY21 to Mr. Andrew Alcock.

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

#### **(a) Options and Ordinary Performance Rights**

For Mr. Alcock, vesting of the FY21 grant of Options and the Ordinary Performance Rights is subject to two performance conditions that the Board considers both challenging and aligned to growing the long term value of the Company.

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

- 50% of the Options and 50% of the Ordinary Performance Rights are subject to the PC1; and
- 50% of the Options and 50% of the Ordinary Performance Rights are subject to the PC2.

The performance conditions which apply to the Options and the Ordinary Performance Rights are as follows:

#### *1. PC1 – Growth in Funds Under Administration (FUA) over three years*

The Company competes in an environment where scale with appropriate margins is a key driver of business growth and profitability. Accordingly, the Board, working with its specialist remuneration advisers, considers that at this stage of its development, a performance condition measuring the growth 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 2020 to 30 June 2023, the Board has calibrated the vesting of the Options and Ordinary Performance Rights to the growth in FUA as follows:

- zero vesting will occur if the CAGR in FUA is below a minimum level of 26.8% per annum (an increase of 103.9% over three years representing approximately \$35 billion by 30 June 2023);
- 50% vesting will occur if the CAGR in FUA reaches 26.8% per annum (an increase of 103.9% over three years representing approximately \$35 billion by 30 June 2023);
- 100% vesting will occur if the CAGR in FUA reaches 35.7% per annum (an increase of 150% over three years representing approximately \$43 billion by 30 June 2023); and
- vesting between 26.8% and 35.7% per annum CAGR in FUA (representing approximately \$35 billion and \$43 billion in FUA) (for between 50% and 100% vesting) will be on a straight-line basis between these two levels.

In measuring the achievement of PC1, the Board reserves the right in its sole and absolute discretion:

- to vary on a good faith basis the percentage of Options and Ordinary Performance Rights which may vest as well as the FUA dollar thresholds which must be satisfied to account for:



- acquisitions of businesses, assets, companies or other entities which may be undertaken by the Company during the performance period; and
- increases in non-custodial FUA (or other agreed profit contributing organic business lines) on a forecast or actual underlying business proportionality basis;
- to reduce by up to 50%, the number of Options and Ordinary Performance Rights 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 discretions 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)

The Board, working with its specialist remuneration advisers, believes that an absolute rather than relative Total Shareholder Return (**TSR**) is the most appropriate way to measure the success in implementing the Company's long term strategic objectives because the Company is the fastest growing company within its direct peer group. The ATSR threshold is positioned at what the Board considers a challenging CAGR hurdle of 11.5% to 16.5% over three years, which is significantly above the 30 June 2020, 20 year returns on Australian equities of 7.4%p.a. reported in the 2020 Vanguard Index Chart Report. This will ensure that vesting of Options and Ordinary Performance Rights is directly linked to superior returns achieved for Shareholders.

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

- 25% vesting of PC2 Options and Ordinary Performance Rights occurs when a threshold vesting of 11.5% ATSR compounded annually is achieved;
- 100% vesting of PC2 Options and Ordinary Performance Rights occurs when a threshold vesting of 16.5% ATSR compounded annually is achieved; and
- vesting between 11.5% and 16.5% 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 50% vesting of PC2 Options and Ordinary Performance Rights will occur.

The determination of the ATSR thresholds will be based upon the 20 trading day VWAP for the Company's Shares prior to 25 August 2020. The 20 trading day VWAP for Shares up to that date was \$14.29, therefore (in the absence of any dividends) the 11.5% threshold is \$19.81 and the 16.5% threshold is \$22.59 when tested over a three year period, or \$22.09 and \$26.32 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 the Company's Shares traded on ASX immediately following the release of the Company'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 2023, subject to the above. If required, any unvested Options or Ordinary Performance Rights from that three year test will be retested against the above CAGR ATSR hurdles over the cumulative four year period to 40 trading days from the date of release of the Company's financial results for the year ended 30 June

2024 (**Last Testing Date**). Any Options or Ordinary Performance Rights not meeting this four year hurdle will lapse and be forfeited.

As noted above, the Board has set what it considers to be a challenging ATSR threshold hurdle applicable to the FY21 grant. The additional year 4 re-testing after 30 June 2023 acknowledges this challenge is applied to ensure that the Mr. Alcock 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 2023) not reflecting actual business success in which case the Board may, in its sole and absolute discretion, allow a further 12 months before testing of unvested Options and Ordinary Performance Rights.

Any Options and Ordinary Performance Rights that have not vested after the Last Testing Date (as defined above), ie. in 2024, will lapse.

### **(b) Special Performance Rights**

Vesting of the FY21 grant of Special Performance Rights is subject to two performance conditions. The 'First Special Performance Condition' and the 'Second Special Performance Condition' (referred to as SPC1 and SPC2 respectively) will be applied separately to the Special Performance Rights as follows:

- 220,000 of the Special Performance Rights are subject to the SPC1; and
- 50,000 of the Special Performance Rights are subject to the SPC2.

The performance conditions are as follows:

#### *1. SPC1*

For the 5 year performance period from 1 July 2020 to 30 June 2025, the Board has calibrated the vesting of the Special Performance Rights to the growth in FUA as follows:

- zero vesting will occur if the CAGR in FUA is below a minimum level of 23.8% per annum (an increase of 191% over five years representing approximately \$50 billion by 30 June 2025);
- 50% vesting will occur if the CAGR in FUA reaches 23.8% per annum (an increase of 191% over five years representing approximately \$50 billion by 30 June 2025);
- 100% vesting will occur if the CAGR in FUA reaches 28.4% per annum (an increase of 249% over five years representing approximately \$60 billion by 30 June 2025); and
- vesting between 23.8% and 28.4% per annum CAGR in FUA (representing approximately \$50 billion and \$60 billion in FUA) (for between 50% and 100% vesting) will be on a straight-line basis between these two levels.

In measuring the achievement of SPC1, the Board reserves the right in its sole and absolute discretion:

- to vary on a good faith basis the percentage of Special Performance Rights which may vest as well as the FUA dollar thresholds which must be satisfied to account for:
  - acquisitions of businesses, assets, companies or other entities which may be undertaken by the Company during the performance period; and
  - increases in non-custodial FUA (or other agreed profit contributing organic business lines) on an underlying forecast or actual business proportionality basis;

- to reduce by up to 50%, the number of Special Performance Rights vesting under SPC1 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. SPC2

For the 5 year performance period from 1 July 2020 to 30 June 2025, the Board has calibrated the vesting of the Special Performance Rights to the growth in FUA as follows:

- zero vesting will occur if the CAGR in FUA is below 32.4% per annum (an increase of 307% over five years representing approximately \$70 billion by 30 June 2025); and
- 100% vesting will occur if the CAGR in FUA reaches 32.4% per annum (an increase of 307% over five years representing approximately \$70 billion by 30 June 2025)

In measuring the achievement of SPC2, the Board reserves the right in its sole and absolute discretion:

- to vary on a good faith basis the percentage of Special Performance Rights which may vest as well as the FUA dollar thresholds which must be satisfied to account for:
  - acquisitions of businesses, assets, companies or other entities which may be undertaken by the Company during the performance period; and
  - increases in non-custodial FUA (or other agreed profit contributing organic business lines) on an underlying profitability proportionality basis;
- to reduce by up to 50%, the number of Special Performance Rights vesting under SPC2 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.

Any Special Performance Rights that have not vested by 30 June 2025 will lapse.

### Exercise of vested Options and Performance Rights

Upon vesting of Options, Mr. Alcock may (subject to his continued employment with the Company), by payment of the exercise price for each Option at any time up until 30 November 2025 (**Option Expiry Date**), be allocated one Share for each Option exercised, with the Shares being either issued or purchased on market. The exercise price will be the VWAP of a Share determined in the first 20 trading days prior to 24 August 2020 (ie. \$14.29).

Upon vesting of Performance Rights, Mr. Alcock may choose to exercise, no later than the earlier of the termination of his employment and 15 years from the time the Performance Rights were granted (**Performance Right Expiry Date**), one Performance 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.

If at any time during the 30 day period prior to an Option Expiry Date or a Performance Right Expiry Date (as the case may be), restrictions in dealing in the Company's securities imposed under clause 6.1 of the HUB24 Group Securities Dealing Policy are in effect (**Blackout Period**), the Option Expiry Date and the Performance Right Expiry Date will be extended for a period of 30 days from the date on which the Blackout Period ceases to be in effect (**Expiry Date**). In this case Options and Performance

Rights may be exercised at any time between the date on which they vest and the extended Expiry Date.

### **Restrictions on share trading**

Mr. Alcock will be restricted from selling or transferring any Options within 12 months of grant of the Options and from selling or transferring any Shares acquired on exercise of 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.

Ordinary Performance Rights are not transferable unless otherwise approved by the Board. Performance Rights in relation to the Special Performance Rights 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 Shares is also subject to HUB24's Group Securities Dealing Policy and trading windows.

### **LTI benefits on termination**

The Options and Performance Rights, both vested and unvested, will be retained by Mr Alcock on the cessation of his employment unless and to the extent that the Board determines otherwise in its absolute discretion, which may include proportional vesting over an accelerated time period.

Upon a change in control (**CIC**) event, the Options and Performance Rights will vest on a pro rata period of time basis only which will include notice period or other period as set out in the change of control event. The Board has discretion to make the full grant of Options / Performance Rights vest upon a CIC event.

The Board also has the discretion to determine that any benefit payable in the above termination circumstances in relation to the Options and Performance Rights can be settled in cash based on the number of Shares into which the Options and / or Performance Rights would vest multiplied by the 20 trading day closing market price (**VWAP**) of the Shares immediately prior to such payment.

### **Clawbacks & forfeiture**

The Board has an absolute discretion to reduce, cancel or recover (**Clawback**) any and all unvested Options or Performance Rights or Shares issued to Mr. Alcock under this Resolution 4 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 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.

In addition, all Special Performance Rights will be immediately forfeited in the event that Mr. Alcock resigns and does not provide 12 months' notice of his resignation.

Further, the Board has an absolute discretion to determine to Clawback any and all unvested Options or Performance Rights or Shares issued to Mr. Alcock under this Resolution 4:

- to protect the financial soundness and sustainability of the Company;

- to ensure that no unfair benefit is obtained by Mr. Alcock; or
- 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 or unexercised Options or Performance Rights.

#### **Recommendation**

The Board (excluding Andrew Alcock, who abstains from making a recommendation due to his personal interest in this Resolution) recommends that Shareholders **vote in favour** of Resolution 4.

#### **Resolution 5: Approval of the HUB24 Employee Share Option Plan**

The Company first adopted, and Shareholders first approved, the HUB24 Employee Share Option Plan (previously called the Investorfirst Employee Share Option Plan) (**Plan**) at its Annual General Meeting in November 2011. The Shareholders again approved the Plan at the Company's 2014 and 2017 Annual General Meetings.

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

A summary of the principal terms of the Plan is set out in Annexure A to this Explanatory Statement. A complete copy of the Plan is available by telephoning the Company's Share Registry and requesting a copy of these documents (free of charge). The Company confirms that these terms have not changed since the previous approval granted by Shareholders at the 2017 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 13(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, Shareholders have approved the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

The below table shows the total number of Options which have been issued under the Plan (which are subject to satisfaction of performance conditions and other restrictions on vesting, exercise and transfer) to employees since the Shareholders last resolved to approve the Plan at the 2017 Annual General Meeting of the Company. The table also details the number of Options which have lapsed during the same period.

<b>Type of security</b>	<b>Number Granted</b>	<b>Lapsed</b>
Options	1,221,047	-170,754

The maximum number of Options which the Company may grant under the Plan if Shareholders approve this Resolution 5 could be up to 1.5 million (having regard to grants which have been made by the Company under the Plan in the last three years).

As three years have passed since the previous approval of the Plan by Shareholders at the 2017 Annual General Meeting, Shareholder approval of the Plan and issue of Options to Eligible Persons under the Plan is again being sought from Shareholders. If approval is given, Options issued under the Plan in the next three years will be exempt from counting towards the 15% limit on the Company issuing securities in any 12 month period without Shareholder approval.

The Board (excluding Andrew Alcock, who abstains from making a recommendation due to his personal interest in the Resolution) recommends that Shareholders **vote in favour** of Resolution 5 to

again approve the existing HUB24 Employee Share Option Plan and the issue of Options pursuant to the Plan.

### **Resolution 6: Adoption of amended Constitution**

Under section 136(2) of the Corporations Act, a company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders.

Resolution 6 seeks the approval of Shareholders to amend the Company's existing Constitution and adopt a new constitution which incorporates these amendments (**Proposed Constitution**). The material changes between the existing Constitution and the Proposed Constitution are summarised in the table below:

No	Subject	Constitution clause reference	Commentary / Reasons for change
1.	Virtual meetings	New clause 49	It is proposed that this clause be inserted to allow the Company flexibility to hold fully virtual shareholder meetings in future once the Government gives effect to permanent changes to the Corporations Act as proposed in recent announcements.
2.	Qualification of Directors	62.1 (formerly 61.1)	The proposed amendment to this clause provides greater flexibility to a director or alternate director of the Company as to how they can hold the minimum shareholding requirement of 1,000 shares.

The balance of the amendments are minor typographical errors.

The proposed resolution for adoption of the Proposed Constitution must be approved by a special resolution of Shareholders. A special resolution of Shareholders must be passed by at least 75 per cent of the votes cast by Shareholders present (whether in person, or by proxy, attorney or representative) and entitled to vote on this Resolution 6.

A copy of the Company's existing constitution and the Proposed Constitution (marked up to show the proposed changes) are available:

- (a) on the Company's website <https://www.hub24.com.au/shareholder-centre/>, and
- (b) by telephoning the Company's Share Registry and requesting a copy of these documents (free of charge).

Please see the existing constitution and Proposed Constitution for full further information on the amendments which are proposed to be made to the existing Constitution.

### **Recommendation**

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

### **Resolution 7: Increase the maximum aggregate remuneration of the Non-executive Directors**

ASX Listing Rule 10.17 provides that Shareholder approval is required to increase the total aggregate amount of Directors' fees payable to all of the Non-Executive Directors.

The current amount fixed by the Company as the maximum aggregate remuneration payable to the Non-Executive Directors of the Company in a financial year is \$800,000. In 2019, the Board sought advice with regard to the setting of remuneration of Non-Executive Directors.

This Resolution seeks Shareholder approval under rule 19.1 of the Company constitution and ASX Listing Rule 10.17 to increase to the maximum aggregate remuneration payable to the Non-Executive Directors of the Company in a financial year by \$100,000 from \$800,000 to \$900,000.

The higher maximum aggregate annual Non-Executive Director remuneration of \$900,000 is being sought to allow the Company to have the flexibility to increase the number of Non-Executive Director appointments and to enable the Company to seek to attract and retain Directors of the highest calibre. The increase will also provide allowance for future remuneration increases for Directors of high standing in line with industry standards and market practice. The Directors resolved in March 2020 that the ordinary directors' fees effective at October 2019 will remain fixed until October 2021 in light of the current Covid business environment. For FY21 ordinary directors' fees in aggregate are forecast at approximately 89% of the current maximum aggregate annual Non-Executive Director remuneration.

The independent formal advice received by the Board in 2019 noted that the median fee pool for Non-Executive Directors for companies regarded as peers of the Company is \$1 million. The Company's peer group are companies ranked in the 3rd quartile of the second 100 ranked companies in the ASX 200.

In the last three years 20,000 Performance Rights have been issued to Non-Executive Directors under the HUB24 Limited Performance Rights Plan.

As the Directors may have an interest in the outcome of Resolution 7, they abstain from making a recommendation to Shareholders as to how to vote in relation to Resolution 7.

## GLOSSARY

**\$** means Australian Dollars.

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

**ASX** means ASX Limited or the market it operates as the context requires.

**ASX Listing Rules** means the Listing Rules of ASX as amended or waived from time to time.

**ATSR** means Absolute Total Shareholder Return.

**Board** means the board of directors of the Company, as constituted from time to time.

**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).

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

**Employee Share Option Plan** means the HUB24 Share Option Plan, previously approved by Shareholders at the 2014 and 2017 Annual General Meetings and as amended from time to time.

**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 unlisted option to acquire a Share.

**Performance Right** means an unlisted performance right to acquire a Share.

**Performance Rights Plan** means the HUB24 Performance Rights Plan, previously approved by Shareholders at the 2016 and 2018 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 2020 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.

**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 PRINCIPAL TERMS OF THE HUB24 EMPLOYEE SHARE OPTION PLAN

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

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

indirectly) of not less than 90% of the issued shares of the Company, whether by private treaty, takeover or a members scheme of arrangement in accordance with the Corporations Act.

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

(each a **Disqualifying Event**).

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

## ANNEXURE B

### SUMMARY OF THE PRINCIPAL TERMS OF THE HUB24 PERFORMANCE RIGHTS PLAN

A summary of the principal terms of the existing HUB24 Limited Performance Rights Plan (**Plan**) is set out below.

Under the Plan, 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.

#### **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.

See Resolution 4 regarding a proposal to issue Performance Rights to Mr. Andrew Alcock.