

HUBSPOT INC
Form DEF 14A
April 26, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

HUBSPOT, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3)

Edgar Filing: HUBSPOT INC - Form DEF 14A

Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

April 26, 2018

Dear HubSpot Stockholder:

I am pleased to invite you to attend the 2018 Annual Meeting of Stockholders (the “Annual Meeting”) of HubSpot, Inc. (“HubSpot”) to be held on Wednesday, June 6, 2018 at 9:00 a.m. Eastern Time at our offices, located at 2 Canal Park,st Floor, Cambridge, MA 02141.

Details regarding the meeting and the business to be conducted are more fully described in the accompanying Notice of 2018 Annual Meeting of Stockholders and Proxy Statement.

Pursuant to the Securities and Exchange Commission (“SEC”) rules that allow issuers to furnish proxy materials to stockholders over the Internet, we are posting the proxy materials on the Internet and delivering a notice of the Internet availability of the proxy materials. On or about April 26, 2018, we will begin mailing to our stockholders a Notice of Internet Availability (the “Notice”) containing instructions on how to access or request a copy of our Proxy Statement for the 2018 Annual Meeting of Stockholders and our Annual Report on Form 10-K for the year ended December 31, 2017.

Your vote is important. Whether or not you plan to attend the Annual Meeting, I hope you will vote as soon as possible. You may vote over the Internet or in person at the Annual Meeting or, if you requested printed copies of proxy materials, you also may vote by mailing a proxy card or voting by telephone. Please review the instructions on the Notice or on the proxy card regarding your voting options.

Thank you for being a HubSpot stockholder. We look forward to seeing you at our Annual Meeting.

Sincerely,

Brian Halligan

Chairman and Chief Executive Officer

YOUR VOTE IS IMPORTANT

In order to ensure your representation at the meeting, whether or not you plan to attend the meeting, please vote your shares as promptly as possible over the Internet by following the instructions on your Notice or, if you requested printed copies of your proxy materials, by following the instructions on your proxy card. Your participation will help to ensure the presence of a quorum at the meeting and save HubSpot the extra expense associated with additional solicitation. If you hold your shares through a broker, your broker is not permitted to vote on your behalf on (1) the election of directors or (2) the non-binding, advisory vote to approve the compensation of our named executive officers unless you provide specific instructions to the broker by completing and returning any voting instruction form that the broker provides (or following any instructions that allow you to vote your broker-held shares via telephone or the Internet). For your vote to be counted, you will need to communicate your voting decision before the date of the Annual Meeting. Voting your shares in advance will not prevent you from attending the Annual Meeting, revoking your earlier submitted proxy or voting your stock in person.

HUBSPOT, INC.

25 First Street, 2nd Floor

Cambridge, MA 02141

NOTICE OF 2018 ANNUAL MEETING OF STOCKHOLDERS

Notice is hereby given that HubSpot, Inc. will hold its 2018 Annual Meeting of Stockholders (the “Annual Meeting”) on Wednesday, June 6, 2018 at 9:00 a.m. Eastern Time at our offices, located at 2 Canal Park, 1st Floor, Cambridge, MA 02141, for the following purposes:

- To elect three Class I directors, Brian Halligan, Ron Gill and Jill Ward, to hold office until the 2021 annual meeting of stockholders and until their successors are duly elected and qualified, subject to their earlier resignation or removal;
- To ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2018;
- To conduct a non-binding, advisory vote to approve the compensation of our named executive officers; and
- To transact any other business that properly comes before the Annual Meeting (including adjournments and postponements thereof).

Only stockholders of record at the close of business on April 10, 2018 are entitled to notice of and to vote at the Annual Meeting as set forth in the Proxy Statement. If you plan to attend the Annual Meeting in person, you should be prepared to present photo identification such as a valid driver’s license and verification of stock ownership for admittance. You are entitled to attend the Annual Meeting only if you were a stockholder as of the close of business on April 10, 2018 or hold a valid proxy for the Annual Meeting. If you are a stockholder of record, your ownership as of the record date will be verified prior to admittance into the meeting. If you are not a stockholder of record but hold shares through a broker, trustee, or nominee, you must provide proof of beneficial ownership as of the record date, such as an account statement or similar evidence of ownership. Please allow ample time for the admittance process. For instructions on how to vote your shares, please refer to the instructions on the Notice of Internet Availability of Proxy Materials you received in the mail, the section titled “Voting” beginning on page 1 of this Proxy Statement or, if you requested to receive printed proxy materials, your enclosed proxy card.

By Order of the Board of Directors,

John P. Kelleher

General Counsel and Secretary

Cambridge, Massachusetts

April 26, 2018

TABLE OF CONTENTS

<u>GENERAL INFORMATION</u>	1
<u>Internet Availability of Proxy Materials</u>	1
<u>Record Date</u>	1
<u>Quorum</u>	1
<u>Shares Outstanding</u>	1
<u>Voting</u>	1
<u>Revoking Your Proxy</u>	1
<u>Votes Required to Adopt Proposals</u>	2
<u>Effect of Abstentions and Broker Non-Votes</u>	2
<u>Voting Instructions</u>	2
<u>Voting Results</u>	2
<u>Additional Solicitation/Costs</u>	3
<u>Householding</u>	3
<u>PROPOSAL ONE – ELECTION OF DIRECTORS</u>	4
<u>Number of Directors; Board Structure</u>	4
<u>Nominees</u>	4
<u>By-law Amendment Adopting Majority Voting in Uncontested Director Elections</u>	4
<u>Recommendation of the Board</u>	4
<u>Nominees for Election for a Three-Year Term Ending at the 2021 Annual Meeting</u>	5
<u>Directors Continuing in Office Until the 2019 Annual Meeting</u>	5
<u>Directors Continuing in Office Until the 2020 Annual Meeting</u>	6
<u>Executive Officers</u>	6
<u>CORPORATE GOVERNANCE</u>	7
<u>Board Independence</u>	7
<u>Code of Business Conduct and Ethics</u>	7
<u>Corporate Governance Guidelines</u>	7
<u>Board and Committee Meetings</u>	7
<u>Annual Meeting Attendance</u>	8
<u>Committees</u>	8
<u>Stockholder Communications</u>	10
<u>Board and Committee Evaluations</u>	11
<u>Board Leadership Structure and Board’s Role in Risk Oversight</u>	11
<u>Compensation Risk Assessment</u>	11
<u>Anti-Hedging and Anti-Pledging Policies</u>	11
<u>PROPOSAL TWO – RATIFICATION OF THE APPOINTMENT OF OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	12
<u>Policy on Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services of Independent Registered Public Accounting Firm</u>	12
<u>Audit Fees</u>	12
<u>Recommendation of the Board</u>	13

<u>Report of the Audit Committee of the Board of Directors</u>	13
<u>PROPOSAL THREE – NON-BINDING, ADVISORY VOTE TO APPROVE THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS</u>	15
<u>Recommendation of the Board</u>	15
<u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</u>	16
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	18
<u>EXECUTIVE COMPENSATION</u>	19
<u>Compensation Discussion and Analysis</u>	19
<u>Executive Summary and Compensation Philosophy</u>	19
<u>Determining Executive Compensation</u>	20
<u>Elements of Compensation</u>	21
<u>Other Compensation Practices and Policies</u>	26
<u>Employee Benefit Plans</u>	27
<u>Indemnification of Officers and Directors</u>	27

<u>Compensation Committee Interlocks and Insider Participation</u>	27
<u>Tabular Disclosure Regarding Executive Compensation</u>	28
<u>2017 Summary Compensation Table</u>	28
<u>2017 Grants of Plan-Based Awards Table</u>	29
<u>2017 Outstanding Equity Awards at Fiscal Year-End</u>	30
<u>2017 Options Exercised and Stock Vested Table</u>	31
<u>2017 Potential Payments upon Termination or Change in Control</u>	31
<u>CEO Pay Ratio</u>	32
<u>Director Compensation</u>	33
<u>2017 Director Compensation Table</u>	33
<u>Equity Compensation Plan Information</u>	35
<u>Report of the Compensation Committee</u>	35
 <u>RELATED PARTY TRANSACTIONS</u>	 36
 <u>Certain Relationships and Transactions</u>	 36
<u>Policies and Procedures for Related Party Transactions</u>	37
 <u>TRANSACTION OF OTHER BUSINESS</u>	 37
 <u>ADDITIONAL INFORMATION</u>	 38
 <u>Procedures for Submitting Stockholder Proposals</u>	 38

PROXY STATEMENT

FOR THE 2018 ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD WEDNESDAY, JUNE 6, 2018

GENERAL INFORMATION

Our Board of Directors (the “Board”) solicits your proxy on our behalf for the 2018 Annual Meeting of Stockholders (the “Annual Meeting”) and at any postponement or adjournment of the Annual Meeting for the purposes set forth in this Proxy Statement and the accompanying Notice of Internet Availability of Proxy Materials (the “Notice”). The Annual Meeting will be held at 9:00 a.m. Eastern Time on Wednesday, June 6, 2018 at our offices, located at 2 Canal Park, 1st Floor, Cambridge MA 02141. We made this Proxy Statement available to stockholders beginning on April 26, 2018.

In this Proxy Statement the terms “HubSpot,” “the company,” “we,” “us,” and “our” refer to HubSpot, Inc. The mailing address of our principal executive offices is HubSpot, Inc., 25 First Street, 2nd Floor, Cambridge MA 02141.

Internet Availability of Proxy Materials	We are providing access to our proxy materials over the Internet. On April 26, 2018, we mailed the Notice to stockholders, unless they requested a printed copy of proxy materials. The Notice contains instructions on how to access our proxy materials and how to vote. If you would like to receive a paper or e-mail copy of our proxy materials, please follow the instructions in the Notice. If you requested printed versions of these materials by mail, they will also include a proxy card for the Annual Meeting.
--	--

Record Date	April 10, 2018.
-------------	-----------------

Quorum	A majority of the shares of all issued and outstanding stock entitled to vote on the record date must be present in person or represented by proxy to constitute a quorum.
--------	--

Shares Outstanding	38,295,929 shares of common stock outstanding as of April 10, 2018.
-----------------------	---

Voting	There are four ways a stockholder of record can vote: (1) By Internet: You may vote over the Internet by following the instructions provided in the Notice. (2) By Telephone: You can vote by telephone by following the instructions in the Notice. (3) By Mail: If you requested printed copies of proxy materials, you can vote by mailing your proxy as described in the proxy materials. (4) In Person: If you are a stockholder as of the record date, you may vote in person at the meeting. Submitting a proxy will not prevent a stockholder from attending the Annual Meeting, revoking their earlier-submitted proxy, and voting in person.
--------	---

In order to be counted, proxies submitted by telephone or Internet must be received by 11:59 p.m. Eastern Time on June 5, 2018. Proxies submitted by U.S. mail must be received before the start of

the Annual Meeting.

If you hold your shares through a bank or broker, please follow their instructions.

Revoking Your Proxy	Stockholders of record may revoke their proxies by attending the Annual Meeting and voting in person, by filing an instrument in writing revoking the proxy or by filing another duly executed proxy bearing a later date with our Secretary before the vote is counted or by voting again using the telephone or Internet before the cutoff time (your latest telephone or Internet proxy is the one that will be counted). If you hold shares through a bank or broker, you may revoke any prior voting instructions by contacting that firm.
---------------------	---

2018 PROXY STATEMENT | HubSpot, Inc. 1

Edgar Filing: HUBSPOT INC - Form DEF 14A

Votes Required to Adopt Proposals	Each share of our common stock outstanding on the record date is entitled to one vote on any proposal presented at the Annual Meeting: For Proposal One, the election of directors, the nominees receiving a majority of votes properly cast will be elected as directors. For Proposal Two, a majority of the votes properly cast is required to ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2018. For Proposal Three, a majority of the votes properly cast is required to approve the compensation of our named executive officers. Since this proposal is an advisory vote, the result will not be binding on our Board, the compensation committee of our Board (the “compensation committee”), or the Company. However, the Board values input from stockholders, and the compensation committee will consider the outcome of the vote when making future decisions regarding the compensation of our named executive officers.
Effect of Abstentions and Broker Non-Votes	Votes withheld from any nominee, abstentions and “broker nonvotes” (i.e., where a broker has not received voting instructions from the beneficial owner and for which the broker does not have discretionary power to vote on a particular matter) are counted as present for purposes of determining the presence of a quorum. Shares voting “withheld” have no effect on the election of directors. Abstentions have no effect on the ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2018 or the advisory vote to approve the compensation of our named executive officers. Under the rules that govern brokers holding shares for their customers, brokers who do not receive voting instructions from their customers have the discretion to vote uninstructed shares on routine matters, but do not have discretion to vote such uninstructed shares on non-routine matters. Only Proposal Two, the ratification of the appointment of PricewaterhouseCoopers LLP, is considered a routine matter where brokers are permitted to vote shares held by them without instruction. If your shares are held through a broker, those shares will not be voted with regard to Proposals One or Three unless you affirmatively provide the broker instructions on how to vote. Broker non-votes also will have no effect on the outcome of these proposals.
Voting Instructions	If you complete and submit your proxy voting instructions, the persons named as proxies will follow your instructions. If you submit proxy voting instructions but do not direct how your shares should be voted on each item, the persons named as proxies will vote for the election of each of the nominees for directors, for the ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm, for the non-binding advisory vote to approve the compensation of our named executive officers. The persons named as proxies will vote on any other matters properly presented at the Annual Meeting in accordance with their best judgment, although we have not received timely notice of any other matters that may be properly presented for voting at the Annual Meeting.
Voting Results	We will announce preliminary results at the Annual Meeting. We will report final results by filing a Form 8-K within four business days after the Annual Meeting. If final results are not available at that time, we will provide preliminary voting results in the Form 8-K and will provide the final results in an amendment to the Form 8-K as soon as they become available.

Additional Solicitation/Costs	We are paying for the distribution of the proxy materials and solicitation of the proxies. As part of this process, we reimburse brokerage houses and other custodians, nominees and fiduciaries for their reasonable out-of-pocket expenses for forwarding proxy and solicitation materials to our stockholders. Proxy solicitation expenses that we will pay include those for preparation, mailing, returning and tabulating the proxies. Our directors, officers, and employees may also solicit proxies on our behalf in person, by telephone, email or facsimile, but they do not receive additional compensation for providing those services.
Householding	Some banks, brokers, and other nominee record holders may be participating in the practice of “householding” proxy statements and annual reports. This means that only one copy of the Notice, Proxy Statement, and Annual Report on Form 10-K for the year ended December 31, 2017, as applicable, is being delivered to multiple stockholders sharing an address unless we have received contrary instructions. We will promptly deliver a separate copy of any of these documents to you if you write to us at Investor Relations at HubSpot, Inc., 25 First Street, 2nd Floor, Cambridge, MA 02141 or call (888) 482-7768. If you want to receive separate copies of the Notice, Proxy Statement, or Annual Report on Form 10-K in the future, or if you are receiving multiple copies and would like to receive only one copy for your household, you should contact your bank, broker, or other nominee record holder, or you may contact us at the above address or telephone number.

PROPOSAL ONE

ELECTION OF DIRECTORS

Number of Directors; Board Structure

Our Board is divided into three staggered classes of directors. One class is elected each year at the annual meeting of stockholders for a term of three years. The term of the Class I directors expires at the Annual Meeting. The term of the Class II directors expires at the 2019 annual meeting. The term of the Class III directors expires at the 2020 annual meeting. Directors are elected to hold office for a three-year term or until the election and qualification of their successors in office.

Nominees

Based on the recommendation of the Nominating and Corporate Governance Committee of our Board, our Board has nominated Brian Halligan, Ron Gill and Jill Ward for election as directors to serve for a three-year term ending at the 2021 annual meeting or until their successors are elected and qualified. Each of the nominees is a current member of our Board and has consented to serve if elected.

Unless you direct otherwise through your proxy voting instructions, the persons named as proxies will vote all proxies received “for” the election of each nominee. If any nominee is unable or unwilling to serve at the time of the Annual Meeting, the persons named as proxies may vote for a substitute nominee chosen by the present Board. In the alternative, the proxies may vote only for the remaining nominees, leaving a vacancy on the Board. The Board may fill such vacancy at a later date or reduce the size of the Board. We have no reason to believe that any of the nominees will be unwilling or unable to serve if elected as a director.

By-law Amendment Adopting Majority Voting in Uncontested Director Elections

On April 23, 2018, based on the recommendation of the Nominating and Corporate Governance Committee, the Board unanimously approved a further amendment and restatement of the Company’s amended and restated by-laws to institute a majority voting standard under which a director nominee will be elected to the Board only if the votes cast for such nominee’s election exceed the votes cast against such nominee’s election. Abstentions and broker non-votes are not considered votes “for” or “against” the nominee’s election. Prior to this amendment and restatement, the Company’s by-laws provided that at each annual meeting of stockholders, director nominees would be elected by a plurality of the votes cast at such meeting.

The new majority voting standard will apply to the election of Class I directors at the Annual Meeting and to all future uncontested elections of directors. A director nominee will be elected to the Board if the votes cast for such nominee’s election exceed the votes cast against such nominee’s election. An incumbent director who is nominated for election and fails to receive a majority of the votes cast for such director’s reelection would be required to promptly deliver to the Board an irrevocable offer to resign from the Board. The Nominating and Corporate Governance Committee will make a recommendation to the Board on whether to accept or reject the resignation, or whether other action should be taken. The Board will act on the recommendation of the Nominating and Corporate Governance Committee and will publicly disclose its decision within 90 days from the date of the certification of the election results. A plurality voting standard will continue to apply to contested director elections. A contested election will generally include any situation in which the Company receives a notice that a stockholder has nominated a person for election to the Board at a meeting of stockholders.

Recommendation of the Board

THE BOARD RECOMMENDS THAT YOU VOTE “FOR” THE ELECTION OF EACH OF THE FOLLOWING NOMINEES.

The biographies of each of the nominees and continuing directors below contain information regarding each such person’s service as a director, business experience, director positions held currently or at any time during the last five years and the experiences, qualifications, attributes or skills that caused the nominating and corporate governance committee to determine that the person should serve as a director of the company. In addition to the information presented below regarding each such person’s specific experience, qualifications, attributes and skills that led the Board and its nominating and corporate governance committee to the conclusion that he or she should serve as a director, we also believe that each of our directors has a reputation for integrity, honesty and adherence to high ethical standards.

2018 PROXY STATEMENT | HubSpot, Inc. 4

Each of our directors has demonstrated business acumen and an ability to exercise sound judgment, as well as a commitment of service to HubSpot and our Board. Finally, we value our directors' experience in relevant areas of business management and on other boards of directors and board committees.

Our corporate governance guidelines also dictate that a majority of the Board be comprised of independent directors whom the Board has determined have no material relationship with HubSpot and who are otherwise "independent" directors under the published listing requirements of the New York Stock Exchange ("NYSE").

Nominees for Election for a Three-Year Term Ending at the 2021 Annual Meeting

Brian Halligan, 50, a founder of the company, has served as our chief executive officer and a member of our Board of Directors since 2005, and has served as chairman of our Board of Directors since March 2014. Mr. Halligan is also an author and a senior lecturer at the Massachusetts Institute of Technology. Prior to founding HubSpot, Mr. Halligan served as venture partner at Longworth Ventures. From 2000 until 2004, he also worked as the vice president of sales of Groove Networks, which was later acquired by Microsoft. Mr. Halligan served on the board of directors of Fleetmatics Group, a global provider of fleet management solutions until its acquisition by Verizon Communications in November 2016. Mr. Halligan was selected to serve as a director on our Board due to his knowledge of HubSpot and our business and his service as our chief executive officer.

Ron Gill, 52, has served as a member of our Board of Directors since June 2012. Mr. Gill held multiple positions at NetSuite, Inc. since joining in 2007 and served as chief financial officer from 2010 until March 2017, including through NetSuite's acquisition by Oracle in November 2016. Prior to joining NetSuite, Ron was vice president, finance at Hyperion Solutions. Previously, he held a variety of financial positions with several technology companies, including SAP, Dell and Sony. Mr. Gill was selected to serve as a director on our Board due to his broad industry experience and extensive financial leadership experience. Mr. Gill qualifies as an "audit committee financial expert" under SEC guidelines.

Jill Ward, 57, has served as a member of our Board of Directors since October 2017. Ms. Ward previously served as president and chief operating officer of Fleetmatics from April 2015 until its acquisition by Verizon Communications in November 2016. Prior to Fleetmatics, from 2001 to 2014, Ms. Ward served as vice president and then senior vice president and general manager at Intuit. Prior to joining Intuit in 2001, Ms. Ward served as division president of a customer contact outsourcing company serving enterprise clients in the financial services and technology spaces. Earlier, as a senior vice president at Fidelity Investments, she was responsible for marketing investment products to small businesses and consumers, and she also served in leadership roles at strategy consulting firm Bain & Company. Ms. Ward was selected to serve as a director on our Board due to her experience in leading and scaling technology companies that serve small and medium sized businesses, as well as her skills at building strong customer experiences and deep channel partner relationships.

Directors Continuing in Office Until the 2019 Annual Meeting

Lorrie Norrington, 58, has served as a member of our Board of Directors since September 2013. Ms. Norrington has served as an operating partner of Lead Edge Capital, a growth equity investment firm, since 2013. Prior to Lead Edge Capital, Ms. Norrington served in several senior management roles at eBay from 2005 through 2010, including president of eBay Marketplaces. Prior to joining eBay, she was the chief executive officer of Shopping.com and held senior positions at Intuit. Ms. Norrington also led a variety of businesses at General Electric Company over a twenty-year period in a broad range of industries. Ms. Norrington currently serves on the boards of directors of two other public companies, Autodesk and Colgate-Palmolive and also previously served on the boards of directors of Shopping.com, McAfee, Lucasfilm, and DIRECTV. Ms. Norrington was selected to serve as a director on our Board due to her broad industry experience, including over 35 years of operating experience in technology, software and internet businesses, and her experience as a current and former director of other public companies.

Dharmesh Shah, 50, a founder of the company, has served as our chief technology officer and a member of our Board of Directors since 2005. Prior to HubSpot, he was founder and chief executive officer of Pyramid Digital Solutions, a software company, which was acquired by SunGard Data Systems in 2005. Mr. Shah is also an author and angel investor. Mr. Shah was selected to serve as a director on our Board due to his knowledge of the company and our business and his service as our chief technology officer.

Avanish Sahai, 52, has served as a member of our Board of Directors since April 2018. Mr. Sahai has served as the global vice president of ISV and technology alliances at ServiceNow, a leading enterprise software vendor, since December 2016. From May 2015 to December 2016, Mr. Sahai was the senior vice president of channels and alliances at InsideSales.com. From April 2014 to May 2015, he was the senior vice president and chief product officer at Demandbase. Prior to Demandbase, Mr. Sahai served as the global vice president of ISV and channel alliances at Salesforce.com from June 2009 to April 2014. In addition, Mr. Sahai has held leadership positions at Oracle and McKinsey & Company, as well as executive roles in product, marketing and business development at various early-to-mid stage startups in Silicon Valley. Mr. Sahai was selected to serve as a director on our Board due to his extensive industry experience, his global expertise, and his knowledge of building software platforms and ecosystems.

Directors Continuing in Office Until the 2020 Annual Meeting

Julie Herendeen, 52, has served as a member of our Board of Directors since April 2016. Ms. Herendeen served as head of global enterprise marketing at Uber from March 2017 to April 2018. From September 2014 until April 2016, Ms. Herendeen served as vice president of marketing of Dropbox. Prior to Dropbox, Ms. Herendeen was the chief marketing officer of Lookout, a mobile security company, from February 2010 to August 2014. Before Lookout, Ms. Herendeen spent five years at Yahoo and prior to that she held various positions at Shutterfly, Netscape and Apple. Ms. Herendeen was selected to serve as a director on our Board due to her extensive marketing and product expertise as well as her experience scaling technology businesses as the voice of the customer.

Michael Simon, 53, has served as a member of our Board of Directors since June 2011. From 2003 until December 2015, Mr. Simon served as the co-founder, chairman and chief executive officer of LogMeIn. Mr. Simon currently serves as chairman of the board of LogMeIn. Mr. Simon also serves on the Graduate Studies Advisory Council at the University of Notre Dame. Mr. Simon was selected to serve as a director on our Board due to his broad industry and leadership experience.

Jay Simons, 45, has served as a member of our Board of Directors since January 2017. Mr. Simons has served as president of Atlassian Corporation Plc since August 2011. From June 2008 to August 2011, Mr. Simons was vice president of sales and marketing at Atlassian. From October 2005 to May 2008, Mr. Simons served in various roles, including vice president, marketing, at BEA Systems, Inc. an enterprise software company, which was acquired by Oracle Corporation in 2008. From 1998 to 2005, Mr. Simons served in various roles, including vice president, product marketing & strategy, at Plumtree Software, Inc., a web software company, which was acquired by BEA Systems, Inc. in 2005. Mr. Simons was selected to serve as a director on our Board due to his experience implementing a high-velocity, low-touch sales model, his experience moving to a multi-product platform and his experience with global expansion.

Executive Officers

In addition to Mr. Halligan, our chief executive officer, and Mr. Shah, our chief technology officer, who also serve as directors, our executive officers are:

John Kelleher, 52, has served as our general counsel since June 2012. Previously, from 2003, Mr. Kelleher served as the senior vice president and general counsel of Endeca Technologies until its acquisition by Oracle in December 2011. Prior to his legal career, Mr. Kelleher was a Lieutenant in the U.S. Navy.

John Kinzer, 49, has served as our chief financial officer since November 2013. From 2012 to 2013, prior to joining HubSpot, he served as the chief financial officer of BackOffice Associates. From 2001 to 2012, Mr. Kinzer worked for Blackboard, serving as chief financial officer from 2010 to 2012. He has also worked at MCI and Arthur Andersen. Mr. Kinzer serves on the board of directors of OutSystems, a privately-held global enterprise software company.

Hunter Madeley, 51, has served as our chief sales officer since April 2016. Prior to that, he served as our senior vice president global sales from April 2014 to March 2016. After a sabbatical, Mr. Madeley served as a vice president commercial sales at salesforce.com from September 2010 to March 2014. From 2002 to 2004, Mr. Madeley served in several leadership roles at ADP, including as a vice president sales and a director of sales.

J.D. Sherman, 52, has served as our chief operating officer since March 2012 and as our president since March 2014. From 2005 to 2012, Mr. Sherman served as the chief financial officer of Akamai Technologies. From 1990 to 2005, he served in various positions at IBM including as vice president of financial planning and assistant controller of corporate financial strategy and budgets. He currently serves on the board of directors of Fiserv, Inc. and also served on the board of directors of Cypress Semiconductor until March 2015.

2018 PROXY STATEMENT | HubSpot, Inc. 6

CORPORATE GOVERNANCE

Board Independence

The Board has determined that each of our directors, except for Mr. Halligan as chief executive officer and Mr. Shah as chief technology officer, has no relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. In addition, the Board has determined that each of our directors, except for Mr. Halligan, Mr. Shah and Ms. Ward, is “independent” within the meaning of our director independence standards and the director independence standards of NYSE and the SEC. Furthermore, the Board has determined that each member of each of the committees of the Board is independent within the meaning of the NYSE’s, the SEC’s, and our applicable committees’ independence standards, including Rule 10a-3(b)(1) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”). In making that determination, the Board considered all relevant facts and circumstances, including (but not limited to) the director’s commercial, industrial, banking, consulting, legal, accounting, charitable, and familial relationships. There are no family relationships among any of our directors or executive officers. In addition, a majority of the members of the Board meets the independence standards under the rules of the NYSE.

At least annually, the Board will evaluate all relationships between us and each director in light of relevant facts and circumstances for the purposes of determining whether a material relationship exists that might signal a potential conflict of interest or otherwise interfere with such director’s ability to satisfy his or her responsibilities as an independent director. Based on this evaluation, the Board will make an annual determination of whether each director is independent within the meaning of the NYSE’s, the SEC’s, and our applicable committees’ independence standards.

Code of Business Conduct and Ethics

We have adopted a Code of Business Conduct and Ethics (a/k/a our Code of Use Good Judgment) that applies to all of our employees, officers and directors, including those officers responsible for financial reporting. The current version of the Code of Use Good Judgment is available on the Investor Relations / Corporate Governance section on our website at <https://ir.hubspot.com/investors/corporate-governance/default.aspx>. A copy of the Code of Use Good Judgment may also be obtained, free of charge, upon a request directed to: HubSpot, Inc., 25 First Street, 2nd Floor, Cambridge, MA 02141, Attention: General Counsel. We intend to disclose any amendment or waiver of a provision of the Code of Use Good Judgment that applies to our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, by posting such information on our website (available at <http://www.hubspot.com>) and/or in our public filings with the SEC.

Corporate Governance Guidelines

The Board has adopted corporate governance guidelines to assist and guide its members in the exercise of its responsibilities. These guidelines should be interpreted in accordance with any requirements imposed by applicable federal or state law or regulation, the NYSE and our certificate of incorporation and bylaws. Our corporate governance guidelines are available on the Investor Relations/ Corporate Governance section of our website at <https://ir.hubspot.com/investors/corporate-governance/default.aspx>. Although these corporate governance guidelines have been approved by the Board, it is expected that these guidelines will evolve over time as customary practice and legal requirements change. In particular, those guidelines that encompass legal, regulatory or exchange requirements as they currently exist will be deemed to be modified as and to the extent that such legal, regulatory or exchange requirements are modified. In addition, the guidelines may also be amended by the Board at any time as it deems appropriate.

Board and Committee Meetings

The Board meets on a regularly scheduled basis during the year to review significant developments affecting us and to act on matters requiring their approval. It also holds special meetings when important matters require action between scheduled meetings. Members of senior management regularly attend meetings to report on and discuss their areas of responsibility. During 2017, the Board held six meetings. The Board has three standing committees:

- the audit committee, which held nine meetings in 2017;
- the compensation committee, which held five meetings in 2017; and
- the nominating and corporate governance committee, which held four meetings in 2017.

2018 PROXY STATEMENT | HubSpot, Inc. 7

Each of the incumbent directors of the Board attended at least 75% of all meetings of the Board and meetings of committees of our Board upon which they served (during the periods that they served) during 2017. The Board regularly holds executive sessions of the non-management directors as well as the independent directors. Executive sessions of non-management directors do not include employee directors and executive sessions of independent directors do not include directors who do not qualify as independent under NYSE and SEC rules.

Annual Meeting Attendance

It is our policy that members of our Board are encouraged to attend annual meetings of our stockholders. All members of our Board attended the 2017 annual meeting of our stockholders.

Committees

Our bylaws provide that the Board may delegate responsibility to committees. The Board has three standing committees: an audit committee, a compensation committee, and a nominating and corporate governance committee. The Board has also adopted a written charter for each of the three standing committees. Each committee charter is available on the Investor Relations/Corporate Governance section of our website at <http://ir.hubspot.com/investors/corporate-governance/default.aspx>.

Audit Committee

Ms. Herendeen and Messrs. Gill and Sahai currently serve on the audit committee, which is chaired by Mr. Gill. The Board has determined that each member of the audit committee is “independent” for audit committee purposes as that term is defined under Rule 10A-3 of the Exchange Act, and the applicable NYSE rules. Each member of the audit committee meets the requirements for financial literacy under the applicable rules and regulations of the SEC and NYSE. The Board has designated Mr. Gill as an “audit committee financial expert,” as defined under the applicable rules of the SEC. The audit committee’s responsibilities include:

- overseeing the work of our independent registered public accounting firm;
- approving the hiring, discharging and compensation of our independent registered public accounting firm;
- approving engagements of the independent registered public accounting firm to render any audit or permissible non-audit services;
- reviewing the qualifications and independence of the independent registered public accounting firm;
- monitoring the rotation of partners of the independent registered public accounting firm on our engagement team as required by law;
- reviewing our consolidated financial statements and reviewing our critical accounting policies and estimates;
- reviewing the adequacy and effectiveness of our internal controls; and
- reviewing and discussing with management and the independent registered public accounting firm the results of our annual audit and our interim consolidated financial statements.

The audit committee met nine times during the fiscal year ended December 31, 2017. The audit committee operates under a written charter adopted by the Board of Directors, a current copy of which is available at the Corporate Governance section of our website at <http://ir.hubspot.com/investors/corporate-governance/default.aspx>.

Compensation Committee

Messrs. Simon and Simons currently serve on the compensation committee, which is chaired by Mr. Simon. The Board has determined that each member of the compensation committee is “independent” as that term is defined in the applicable SEC and NYSE rules. The compensation committee’s responsibilities include:

- reviewing and approving corporate goals and objectives relevant to compensation of our chief executive officer and other executive officers;

•evaluating the performance of our executive officers in light of established goals and objectives;
•reviewing and approving the compensation of our executive officers based on its evaluations;

2018 PROXY STATEMENT | HubSpot, Inc. 8

- reviewing and recommending compensation of our non-employee directors;
- administering and approving the issuance of stock options and other awards under our stock plans;
- retaining and approving the compensation of any compensation advisors; and
- evaluating the independence of any such compensation advisors.

The compensation committee met five times during the fiscal year ended December 31, 2017. The compensation committee operates under a written charter adopted by the Board of Directors, a current copy of which is available on the Investor Relations/Corporate Governance section of our website at <http://ir.hubspot.com/investors/corporate-governance/default.aspx>.

Nominating and Corporate Governance Committee

Mses. Herendeen and Norrington currently serve on the nominating and corporate governance committee, which is chaired by Ms. Norrington. The Board has determined that each member of the nominating and corporate governance committee is “independent” as that term is defined in the applicable SEC and NYSE rules. The nominating and corporate governance committee’s responsibilities include:

- evaluating and making recommendations regarding the organization and governance of the board of directors and its committees;
- assessing the performance of members of the board of directors and making recommendations regarding committee and chair assignments;
- reviewing and making recommendations with regard to our corporate succession plans for our chief executive officer and other executive officers;
- recommending desired qualifications for board of directors membership and conducting searches for potential members of the board of directors; and
- reviewing and making recommendations with regard to our corporate governance guidelines.

The nominating and corporate governance committee met four times during the fiscal year ended December 31, 2017. The nominating and corporate governance committee operates under a written charter adopted by the Board of Directors, a current copy of which is available on the Investor Relations/Corporate Governance section of our website at <http://ir.hubspot.com/investors/corporate-governance/default.aspx>.

Identifying and Evaluating Director Nominees

The Board has delegated the director selection and nomination process to the nominating and corporate governance committee, with the expectation that other members of the Board, and of management, will be requested to take part in the process as appropriate.

Generally, the nominating and corporate governance committee identifies candidates for director nominees in consultation with management, through the use of search firms or other advisors, through the recommendations submitted by stockholders or through such other methods as the nominating and corporate governance committee deems to be helpful to identify candidates. Once candidates have been identified, the nominating and corporate governance committee confirms that the candidates meet all of the minimum qualifications for director nominees established by the nominating and corporate governance committee. The nominating and corporate governance committee may gather information about the candidates through interviews, detailed questionnaires, comprehensive background checks or any other means that the nominating and corporate governance committee deems to be appropriate in the evaluation process. The nominating and corporate governance committee then meets as a group to discuss and evaluate the qualities and skills of each candidate, both on an individual basis and taking into account the overall composition and needs of the Board. Based on the results of the evaluation process, the nominating and corporate governance committee recommends candidates for the Board’s approval as director nominees for election to the Board.

From time to time, we have engaged, for a fee, a third-party search firm to assist the nominating and corporate governance committee with identifying, evaluating and screening Board candidates for the Company. For our two recent Board searches, Rich Talent Group, a boutique search firm, assisted the nominating and corporate governance

2018 PROXY STATEMENT | HubSpot, Inc. 9

committee with evaluating and screening Board candidates, including Jill Ward and Avanish Sahai, who were appointed to the Board in October 2017 and April 2018, respectively.

Minimum Qualifications

In evaluating proposed director candidates, the nominating and corporate governance committee may consider all facts and circumstances that it deems appropriate or advisable, including, among other things, the skills of the proposed director candidate, his or her depth and breadth of professional experience or other background characteristics, his or her independence, the current size and composition of our Board and the needs of our Board and its respective committees. Some of the qualifications that our nominating and corporate governance committee considers include, without limitation, integrity, judgment, diversity of experience, expertise, business acumen, understanding of our business and industry, potential conflicts of interest and other commitments. Nominees must also have proven achievement and competence in their field and the ability to provide guidance to our management team and make significant contributions to our success, and an understanding of the fiduciary responsibilities that are required of a director. Director candidates must have sufficient time available in the judgment of our nominating and corporate governance committee to perform all board of director and committee responsibilities. Members of our Board are expected to prepare for, attend, and participate in all board of director and applicable committee meetings.

While we do not have a specific policy with regard to the consideration of diversity in identifying director nominees, we believe it is essential to have directors representing diversity in many areas, including but not limited to race, ethnicity, gender, age, background, and professional experience. Accordingly, diversity is one of the factors considered by the Nominating and Corporate Governance Committee in identifying director nominees. In connection with filling the vacancy filled by Jill Ward this year, we thought it was important to increase the gender diversity of our board by adding another female board member. The addition of Avanish Sahai to the Board demonstrates our continued commitment to racial and ethnic diversity, not only on our Board but also for our employees.

Stockholder Recommendations

Stockholders may submit recommendations for director candidates to the nominating and corporate governance committee by sending the individual's name and qualifications to our Secretary at HubSpot, Inc., 25 First Street, 2nd Floor, Cambridge, MA 02141, who will forward all recommendations to the nominating and corporate governance committee. The nominating and corporate governance committee will evaluate any candidates recommended by stockholders against the same criteria and pursuant to the same policies and procedures applicable to the evaluation of candidates proposed by directors or management.

Stockholder Communications

The Board provides to every securityholder and interested party the ability to communicate with the Board, as a whole, and with individual directors on the Board through an established process for securityholder and other interested party communication. For a communication directed to the Board of Directors as a whole, securityholders and other interested parties may send such communication to the attention of the Company's Secretary via U.S. Mail or Expedited Delivery Service to: HubSpot, Inc., 25 First Street, 2nd Floor, Cambridge, MA 02141, Attn: Board of Directors, c/o Secretary.

For a securityholder communication directed to an individual director in his or her capacity as a member of the Board, securityholders and other interested parties may send such communication to the attention of the individual director via U.S. Mail or Expedited Delivery Service to: HubSpot, Inc., 25 First Street, 2nd Floor, Cambridge, MA 02141, Attn: [Name of Individual Director], c/o Secretary.

We will forward by U.S. Mail any such communication to each director, and the Chairman of the Board in his or her capacity as a representative of the Board, to whom such communication is addressed to the address specified by each such director and the Chairman of the Board, unless there are safety or security concerns that mitigate against further transmission.

Board and Committee Evaluations

The nominating and corporate governance committee oversees the annual Board and committee evaluation process. Generally, the Board and each committee conduct self-evaluations by means of written questionnaires completed by each director and committee member. The anonymous responses are summarized and provided to the Board and each committee at their next meetings in order to facilitate an examination and discussion by the Board and each committee of the effectiveness of the Board and committees, Board and committee structure and dynamics, and areas for possible improvement. The nominating and corporate governance committee establishes the Board and committee evaluation process each year and may determine to use an independent third party evaluation process from time to time in the future.

Board Leadership Structure and Board's Role in Risk Oversight

Mr. Halligan serves as our chief executive officer and as chairman of the board. The board of directors believes that having our chief executive officer as chairman of the board facilitates the board of directors' decision-making process because Mr. Halligan has first-hand knowledge of our operations and the major issues facing us. This also enables Mr. Halligan to act as the key link between the board of directors and other members of management.

Our board of directors has appointed Ms. Norrington to serve as our lead independent director. As lead independent director, Ms. Norrington presides over meetings of our independent directors, serves as a liaison between our chairman of the board of directors and the independent directors and performs such additional duties as our board of directors may otherwise determine and delegate.

One of the key functions of our board of directors is informed oversight of our risk management process. Our board of directors does not have a standing risk management committee, but rather administers this oversight function directly through the board of directors as a whole, as well as through its standing committees that address risks inherent in their respective areas of oversight. In particular, our board of directors is responsible for monitoring and assessing strategic risk exposure, including cybersecurity risk exposure. Our audit committee is responsible for reviewing and discussing our major financial risk exposures and the steps our management has taken to monitor and control these exposures, including guidelines and policies with respect to risk assessment and risk management. Our audit committee also monitors compliance with legal and regulatory requirements, in addition to oversight of the performance of our external audit function. Our nominating and corporate governance committee monitors the effectiveness of our corporate governance guidelines. Our compensation committee reviews and discusses the risks arising from our compensation philosophy and practices applicable to all employees that are reasonably likely to have a materially adverse effect on us.

Compensation Risk Assessment

We believe that although a portion of the compensation provided to our executive officers and other employees is performance-based, our executive compensation program does not encourage excessive or unnecessary risk-taking. Our compensation programs are designed to encourage our executive officers and other employees to remain focused on both short-term and long-term financial, operational and strategic goals, in particular in connection with our "pay-for-performance" compensation philosophy. As a result, we do not believe that the risks that may arise from our compensation programs are reasonably likely to have a material adverse effect on us.

Anti-Hedging and Anti-Pledging Policies

Our insider trading policies prohibit all directors, executive officers, and employees from buying our securities on margin, or holding such securities in a margin account and, without the prior approval of the audit committee, buying or selling derivatives on such securities, engaging in short sales involving such securities or pledging our securities as collateral for a loan. To date, no such requests have been made or approved.

PROPOSAL TWO

RATIFICATION OF THE APPOINTMENT OF

OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We have appointed PricewaterhouseCoopers LLP as our independent registered public accounting firm to perform the audit of our consolidated financial statements for the fiscal year ending December 31, 2018, and we are asking you and other stockholders to ratify this appointment. PricewaterhouseCoopers LLP has served as our independent registered public accounting firm since 2016.

The audit committee annually reviews the independent registered public accounting firm's independence, including reviewing all relationships between the independent registered public accounting firm and us and any disclosed relationships or services that may impact the objectivity and independence of the independent registered public accounting firm, and the independent registered public accounting firm's performance. As a matter of good corporate governance, the Board determined to submit to stockholders for ratification the appointment of PricewaterhouseCoopers LLP. A majority of the votes properly cast is required in order to ratify the appointment of PricewaterhouseCoopers LLP. In the event that a majority of the votes properly cast do not ratify this appointment of PricewaterhouseCoopers LLP, we will review our future appointment of PricewaterhouseCoopers LLP.

We expect that a representative of PricewaterhouseCoopers LLP will attend the Annual Meeting and the representative will have an opportunity to make a statement if he or she so chooses. The representative will also be available to respond to appropriate questions from stockholders.

Policy on Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services of Independent Registered Public Accounting Firm

We have adopted a policy under which the audit committee must pre-approve all audit and permissible non-audit services to be provided by the independent registered public accounting firm. These services may include audit services, audit-related services, tax services and other services. Pre-approval would generally be requested annually, with any pre-approval detailed as to the particular service, which must be classified in one of the four categories of services listed below. The audit committee may also, on a case-by-case basis, pre-approve particular services that are not contained in the annual pre-approval request. In connection with this pre-approval policy, the audit committee also considers whether the categories of pre-approved services are consistent with the rules on accountant independence of the SEC and the Public Company Accounting Oversight Board.

In addition, in the event time constraints require pre-approval prior to the audit committee's next scheduled meeting, the audit committee has authorized its Chairperson to pre-approve services. Engagements so pre-approved are to be reported to the audit committee at its next scheduled meeting.

Audit Fees

The following table sets forth the fees billed by PricewaterhouseCoopers LLP for audit, audit-related, tax and all other services rendered for 2017 and 2016 (in thousands):

	2017	2016
Fee Category	(1)	(2)
Audit Fees	\$1,608	\$1,328
Audit-Related Fees	185	—

Tax Fees	243	65
Other Fees	3	3
Total Fees	\$2,039	\$1,396

- (1) Excludes fees of \$30,000 billed by Deloitte & Touche LLP in connection with their consent relating to our 2015 financial statements included in our annual report on Form 10-K for the year ended December 31, 2017.
- (2) Excludes fees of \$75,000 billed by Deloitte & Touche LLP in connection with their consent relating to our 2015 and 2014 financial statements included in our annual report on Form 10-K for the year ended December 31, 2016.

Audit Fees. Represents fees billed for services provided in connection with the audits of our annual financial statements and internal control over financial reporting, reviews of our quarterly financial statements, and the issuance of our 0.25% convertible senior notes due June 1, 2022 (the “2022 Notes”).

Audit-Related Fees. Represents fees billed for services provided in connection with a comfort letter associated with the issuance of our 2022 Notes and assistance with the adoption of a new accounting standard.

Tax Fees. Represents fees billed for professional services provided for tax compliance, advice and planning, including in connection with the issuance of our 2022 Notes.

Other Fees. Represents fees billed for accounting research software and use of automated disclosure tools.

The Audit Committee pre-approved all services performed since the pre-approval policy was adopted.

Recommendation of the Board

THE BOARD RECOMMENDS THAT YOU VOTE “FOR” RATIFICATION OF THE APPOINTMENT OF PRICEWATERHOUSECOOPERS LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE FISCAL YEAR ENDING DECEMBER 31, 2018.

Report of the Audit Committee of the Board of Directors

The information contained in this audit committee report shall not be deemed to be (1) “soliciting material,” (2) “filed” with the SEC, (3) subject to Regulations 14A or 14C of the Exchange Act, or (4) subject to the liabilities of Section 18 of the Exchange Act. No portion of this audit committee report shall be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended (the “Securities Act”), or the Exchange Act, through any general statement incorporating by reference in its entirety the proxy statement in which this report appears, except to the extent that HubSpot specifically incorporates this report or a portion of it by reference. In addition, this report shall not be deemed filed under either the Securities Act or the Exchange Act.

This report is submitted by the audit committee of the Board. None of the members of the audit committee is an officer or employee of HubSpot, and the Board has determined that each member of the audit committee is “independent” for audit committee purposes as that term is defined under Rule 10A-3 of the Exchange Act, and the applicable NYSE Market rules. Each member of the audit committee meets the requirements for financial literacy under the applicable rules and regulations of the SEC and NYSE. The Board has designated Mr. Gill as an “audit committee financial expert,” as defined under the applicable rules of the SEC. The audit committee operates under a written charter adopted by the Board.

The Audit Committee’s general role is to assist the Board in monitoring our financial reporting process and related matters. Its specific responsibilities are set forth in its charter.

The Audit Committee has reviewed the company’s consolidated financial statements for 2017 and met with management, as well as with representatives of PricewaterhouseCoopers LLP, the company’s independent registered public accounting firm, to discuss the consolidated financial statements. The Audit Committee also discussed with members of PricewaterhouseCoopers LLP the matters required to be discussed by the Statement on Auditing Standards No. 61, as amended (AICPA Performance Standards Vol. 1. AU Section 380), as adopted by the Public Company Accounting Oversight Board in Rule 3200T.

The Audit Committee reviewed management’s report on its assessment of the effectiveness of the company’s internal control over financial reporting and the independent registered public accounting firm’s report on the effectiveness of

the company's internal control over financial reporting. The Audit Committee meets with representatives of the independent registered public accounting firm, with and without management present, to discuss the results of their examinations; their evaluations of the company's internal control, including internal control over financial reporting; and the overall quality of the company's financial reporting.

In addition, the Audit Committee received the written disclosures and the letter from PricewaterhouseCoopers LLP required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent

2018 PROXY STATEMENT | HubSpot, Inc. 13

accountant's communications with the Audit Committee concerning independence, and discussed with members of PricewaterhouseCoopers LLP its independence.

Based on these discussions, the financial statement review and other matters it deemed relevant, the Audit Committee recommended to the Board that the company's audited consolidated financial statements for 2017 be included in its Annual Report on Form 10-K for 2017.

Audit Committee

Ron Gill (Chairperson)

Julie Herendeen

2018 PROXY STATEMENT | HubSpot, Inc. 14

PROPOSAL THREE

NON-BINDING, ADVISORY VOTE TO APPROVE THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS

Section 14A of the Exchange Act requires that we provide our stockholders with the opportunity to vote to approve, on a non-binding, advisory basis, not less frequently than once every three years, the compensation of our named executive officers as disclosed in our annual proxy statement in accordance with the compensation disclosure rules of the SEC.

As described in detail under the heading “Compensation Discussion and Analysis,” we seek to closely align the interests of our named executive officers with the interests of our stockholders. Our compensation program is designed to reward our named executive officers for the achievement of short-term and long-term financial, operational and strategic goals and the achievement of increased total stockholder return, while at the same time avoiding the encouragement of unnecessary or excessive risk-taking.

Stockholders are urged to read the “Compensation Discussion and Analysis” and “Executive Compensation” sections of this proxy statement, which discuss how our executive compensation policies and practices implement our compensation philosophy and contain tabular information and narrative discussion about the compensation of our named executive officers. Our Board and the compensation committee believe that these policies and practices are effective in implementing our compensation philosophy and in achieving our compensation program goals.

The vote on this resolution is not intended to address any specific element of compensation but rather the overall compensation of our named executive officers and the philosophy, policies and practices described in this proxy statement. The vote is advisory, which means that the vote is not binding on the Company, our Board or the compensation committee. Although non-binding, our Board and the compensation committee value the opinions that stockholders express in their votes and will review the voting results and take them into consideration as they deem appropriate when making future decisions regarding our executive compensation program.

Accordingly, we are asking our stockholders to vote on the following resolution at the Annual Meeting:

RESOLVED, that the stockholders of HubSpot, Inc. approve, on a non-binding, advisory basis, the compensation of the Company’s named executive officers, as disclosed in this proxy statement pursuant to Item 402 of Regulation S-K, including in the Compensation Discussion and Analysis, the compensation tables and the narrative disclosures that accompany the compensation tables.

Recommendation of the Board

THE BOARD RECOMMENDS THAT YOU VOTE “FOR” THE APPROVAL OF, ON AN ADVISORY BASIS, THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS, AS DISCLOSED IN THIS PROXY STATEMENT.

SECURITY OWNERSHIP OF

CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information known to us regarding the beneficial ownership of our common stock as of March 26, 2018, for:

- each person known by us to be the beneficial owner of more than 5% of our common stock;
- our named executive officers;
- each of our directors and director nominees; and
- all executive officers and directors as a group.

Beneficial ownership is determined in accordance with the rules of the SEC and generally includes voting or investment power with respect to securities. Except as noted by footnote, and subject to community property laws where applicable, we believe, based on the information provided to us, that the persons and entities named in the table below have sole voting and investment power with respect to all shares of common stock shown as beneficially owned by them.

The table lists applicable percentage ownership based on 38,129,028 shares of common stock outstanding as of March 26, 2018 unless indicated otherwise. Options to purchase shares of our common stock that are exercisable, and shares of our common stock that may be acquired upon the vesting of restricted stock units (“RSUs”), in each case, within 60 days of March 26, 2018, are deemed to be beneficially owned by the persons holding these options or RSUs, as applicable, for the purpose of computing percentage ownership of that person, but are not treated as outstanding for the purpose of computing any other person’s ownership percentage. Unless otherwise indicated, the address for each beneficial owner is c/o HubSpot, Inc. 25 First Street, 2nd Floor, Cambridge, MA 02141.

Name of Beneficial Owner	Number of Shares Beneficially Owned	Percentage	
5% Stockholders			
FMR LLC(1)	5,605,731	15.0	%
Entities affiliated with Wellington Management Group LLP(2)	3,311,552	8.9	%
The Vanguard Group(3)	2,830,505	7.6	%
Entities affiliated with The Bank of New York Mellon (4)	2,406,770	6.4	%
Entities affiliated with Black Rock, Inc.(5)	2,302,801	6.2	%
Executive Officers and Directors			
Ron Gill (6)	44,358	*	
Brian Halligan (7)	1,104,087	2.9	%
Julie Herendeen (8)	3,271	*	
John Kinzer (9)	60,536	*	
Hunter Madeley (10)	44,371	*	
Lorrie Norrington (11)	52,908	*	
Avanish Sahai (12)	-	*	
Dharmesh Shah (13)	1,812,175	4.7	%
JD Sherman (14)	491,299	1.3	%
Michael Simon(15)	139,996	*	
Jay Simons (16)	1,679	*	
Jill Ward (17)	-	*	
All executive officers and directors as a group (13			
persons)(18)	3,801,515	9.6	%

*Represents beneficial ownership of less than 1% of our outstanding common stock.

(1) This information is as of December 31, 2017 and is based solely on a Schedule 13G filed by FMR LLC (“FMR”) with the SEC on February 13, 2018. FMR reports sole voting power over 1,160,871 shares and sole dispositive power over 5,605,731 shares. The percent owned is based on the calculation provided by the FMR Schedule 13G. The address of FMR is 245 Summer Street, Boston, Massachusetts 02210.

2018 PROXY STATEMENT | HubSpot, Inc. 16

- (2) This information is as of December 29, 2017 and is based solely on a Schedule 13G filed by Wellington Management Group LLP, Wellington Group Holdings LLP, Wellington Investment Advisors Holdings LLP and Wellington Management Company LLP (together, the “Wellington Funds”) with the SEC on February 8, 2018. Wellington Management Company LLP reports shared voting power over 2,262,970 shares and sole dispositive power over 3,080,237 shares. Wellington Group Holdings LLP, Wellington Investment Advisors Holdings LLP and Wellington Management Group LLP each report shared voting power over 2,397,740 shares and shared dispositive power over 3,311,552 shares. The percent owned is based on the calculation provided by the Wellington Funds Schedule 13G. The address of the Wellington Funds is c/o Wellington Management Company LLP 280 Congress Street Boston, MA 02210.
- (3) This information is as of December 31, 2017 and is based solely on a Schedule 13G filed by The Vanguard Group with the SEC on February 9, 2018. The Vanguard Group reports sole voting power over 66,396 shares, shared voting power over 5,915 shares, sole dispositive power over 2,760,941 shares and shared dispositive power over 69,564 shares. The percent owned is based on the calculation provided by The Vanguard Group Schedule 13G. The address of The Vanguard Group is 100 Vanguard Blvd., Malvern, PA 19355.
- (4) This information is as of December 31, 2017 and is based solely on a Schedule 13G filed by The Bank of New York Mellon Corporation, BNY Mellon IHC, LLC and MBC Investments Corporation (together, the “Bank of New York Mellon Entities”) with the SEC on February 7, 2018. The Bank of New York Mellon Corporation reports sole voting power over 2,310,950 shares, shared voting power over 1,710 shares, sole dispositive power over 2,374,647 shares and shared dispositive power over 32,123 shares. BNY Mellon IHC, LLC reports sole voting power over 2,094,909 shares, sole dispositive power over 2,160,406 shares and shared dispositive power over 28,593 shares. MBC Investments Corporation reports sole voting power over 2,094,909 shares, sole dispositive power over 2,160,406 shares and shared dispositive power over 28,593 shares. The percent owned is based on the calculation provided by the Bank of New York Mellon Entities 13G. The address of the Bank of New York Mellon Entities is c/o The Bank of New York Mellon Corporation, 225 Liberty Street, New York, New York 10286.
- (5) This information is as of December 31, 2017 and is based solely on a Schedule 13G filed by BlackRock, Inc. with the SEC on January 25, 2018. BlackRock, Inc. reports sole voting power over 2,231,439 shares and sole dispositive power over 2,302,801 shares. The percent owned is based on the calculation provided by the BlackRock, Inc. Schedule 13G. The address of BlackRock, Inc. is 55 East 52nd Street, New York, NY 10055.
- (6) Consists of (i) 11,199 shares of common stock held directly by Mr. Gill and (ii) 33,159 shares issuable upon exercise of stock options, and/or that may be acquired upon the vesting of RSUs, in each case, within 60 days of March 26, 2018.
- (7) Consists of (i) 669,613 shares of common stock held directly by Mr. Halligan and (ii) 434,474 shares issuable upon exercise of stock options, and/or that may be acquired upon the vesting of RSUs, in each case, within 60 days of March 26, 2018.
- (8) Consists of (i) 2,776 shares of common stock held directly by Ms. Herendeen and (ii) 495 shares issuable upon exercise of stock options, and/or that may be acquired upon the vesting of RSUs, in each case, within 60 days of March 26, 2018.
- (9) Consists of (i) 32,090 shares of common stock held directly by Mr. Kinzer and (ii) 28,446 shares issuable upon exercise of stock options, and/or that may be acquired upon the vesting of RSUs, in each case, within 60 days of March 26, 2018.
- (10) Consists of (i) 16,518 shares of common stock held directly by Mr. Madeley and (ii) 27,853 shares issuable upon exercise of stock options, and/or that may be acquired upon the vesting of RSUs, in each case, within 60 days of March 26, 2018.
- (11) Consists of (i) 400 shares of common stock held directly by Ms. Norrington and (ii) 52,508 shares issuable upon exercise of stock options, and/or that may be acquired upon the vesting of RSUs, in each case, within 60 days of March 26, 2018.
- (12) Mr. Sahai joined our board of directors on April 24, 2018.
- (13) Consists of (i) 1,621,502 shares of common stock held directly by Mr. Shah and (ii) 190,673 shares issuable upon exercise of stock options, and/or that may be acquired upon the vesting of RSUs, in each case, within 60 days of March 26, 2018.

- (14) Consists of (i) 41,622 shares of common stock held directly by Mr. Sherman and (ii) 449,677 shares issuable upon exercise of stock options, and/or that may be acquired upon the vesting of RSUs, in each case, within 60 days of March 26, 2018.

2018 PROXY STATEMENT | HubSpot, Inc. 17

- (15) Consists of (i) 25,637 shares of common stock held directly by Mr. Simon, (ii) 42,700 shares held by the Simon Family Children's Trust dtd 12/15/2006 and (iii) 71,659 shares issuable upon exercise of stock options, and/or that may be acquired upon the vesting of RSUs, in each case, within 60 days of March 26, 2018.
- (16) Consists of (i) 913 shares of common stock held directly by Mr. Simons and (ii) 766 shares issuable upon exercise of stock options, and/or that may be acquired upon the vesting of RSUs, in each case, within 60 days of March 26, 2018.
- (17) Ms. Ward joined our board of directors on October 17, 2017.
- (18) See footnotes 6 through 17 above. Consists of (i) 2,480,852 shares of common stock held directly by the directors and executive officers and (ii) 1,320,663 shares issuable upon exercise of stock options, and/or that may be acquired upon the vesting of RSUs, in each case, within 60 days of March 26 for our directors and executive officers.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our directors and executive officers and persons who own more than 10% of our common stock, to file with the SEC initial reports of beneficial ownership and reports of changes in beneficial ownership. Officers, directors and greater than 10% stockholders are required by SEC regulations to furnish us with copies of all such reports.

To our knowledge, based solely on a review of the copies of such reports furnished to us and written representations that no other reports were required, we believe that for 2017, all required reports were filed on a timely basis under Section 16(a), except for one late Form 4 transaction for Mr. Halligan.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

This Compensation Discussion and Analysis section describes how our executive compensation programs are designed and operate with respect to our named executive officers. For 2017, our named executive officers were:

Name	Title
Brian Halligan	Chief Executive Officer
John Kinzer	Chief Financial Officer
J.D. Sherman	President and Chief Operating Officer
Hunter Madeley	Chief Sales Officer
Dharmesh Shah	Chief Technology Officer

Executive Summary and Compensation Philosophy

Our compensation committee designs our executive compensation program with the goal of attracting, retaining and motivating high-caliber executive officers, while simultaneously promoting the achievement of key company performance measures to align the incentives of our executive officers with our stockholders' interests. We compete with many other public and private companies within our region and across the country for executives. Accordingly, the compensation committee generally targets overall compensation for our executive officers to be competitive in our industry and region. Variations in this targeted compensation may occur depending on the experience level of the individual and other market factors, such as the demand for executives with certain skills and experience and the costs associated with recruiting qualified executives from other established companies. We intend to provide a competitive total compensation package and will share our success with our executive officers, as well as our other employees, when our objectives are met.

In 2017, we delivered strong financial performance, with highlights that included:

- 39% year-over-year revenue growth to \$375.6 million in 2017, compared to \$271.0 million in 2016;
- 5.8 percentage point improvement in GAAP operating margin to (10.7)% in 2017, compared to (16.5)% in 2016;
- 6.7 percentage point improvement in non-GAAP operating margin to 2.3% in 2017, compared to (4.4)% in 2016;
- Generated \$22.3 million of free cash flow in 2017, compared to using \$(2.2) million during 2016; and
- Grew total customers to 41,593 at December 31, 2017, up 48% from December 31, 2016.

We adopted an executive compensation clawback policy and stock ownership guidelines for our executive officers and the non-employee members of our Board in 2016, and we adhere to other executive compensation best practices as summarized below:

- | | |
|---|--|
| <ul style="list-style-type: none"> ✓ Maintain a clawback policy ✓ Maintain stock ownership guidelines for executive officers and directors ✓ Provide limited perquisites ✓ No employment agreements or cash severance arrangements with executive officers ✓ Use double-trigger change in control provisions for equity awards; otherwise no change in control payments or benefits for executive officers | <ul style="list-style-type: none"> ✓ Use objective performance measures ✓ Prohibit hedging and pledging of HubSpot stock ✓ Cap bonus payments ✓ Use independent compensation consultant that provides no other services to HubSpot ✓ No repricing of underwater stock options |
|---|--|

During 2017 and continuing in 2018, our founders, Messrs. Halligan and Shah voluntarily elected to receive a base salary of \$1 and to forego any cash bonus payments under the Senior Executive Cash Incentive Bonus Plan.

2018 PROXY STATEMENT | HubSpot, Inc. 19

The compensation of our named executive officers in 2017 consisted of the following elements:

Compensation Element	Objective
Base salary	To attract and retain talented executives.
Annual cash incentive compensation	To motivate and reward our executives for the achievement of key company objectives set by the compensation committee at the beginning of the year.
Long-term equity incentive compensation	To retain and motivate our executives and align their interests with those of our stockholders.
Other benefits	General employee medical and dental plans, unlimited vacation, life and disability insurance and Section 401(k) plan matching contributions designed to provide employee benefits competitive with those offered by our peer group and other companies with which we compete for talent.

Each of the elements of our executive compensation program is discussed in more detail below. Our compensation elements are designed to be flexible, to complement each other and to serve the compensation objectives described above. While we have not adopted any formal policies for allocating compensation between fixed and variable compensation, we generally target our long-term equity incentive compensation to be a significant majority of total compensation. Our mix of compensation elements is designed to reward recent results and motivate long-term performance through a combination of short-term cash and long-term equity incentive awards.

Determining Executive Compensation

Role of the Compensation Committee

The compensation committee of our board of directors oversees our executive compensation program and annually reviews and approves all executive compensation decisions. The compensation committee meets several times near the beginning of each fiscal year to review our executive compensation programs, establish the company performance measures used to set the annual cash incentive compensation opportunities for the fiscal year and review the target total direct compensation for our executive officers to ensure consistency with our overall compensation philosophy. As part of their executive compensation review, the compensation committee is provided with relevant information, such as the competitive market data described further below, to use as a reference when setting each individual compensation element and target total direct compensation levels.

Role of our Chief Executive Officer and Other Executive Officers

Our Chief Executive Officer, President and Chief Operating Officer, and Chief Financial Officer assist the compensation committee in identifying the key performance and incentive measures that may be used in setting annual cash incentive compensation opportunities and also provide input on key contributors and performers within the company so as to ensure their compensation accurately reflects their responsibilities, performance, experience levels and expected future contributions. Our Chief Executive Officer and President and Chief Operating Officer make recommendations to the compensation committee regarding compensation for our executive officers. No executive officer participated in the final deliberations or determinations regarding his own compensation package, except for Messrs. Halligan and Shah, who each requested that his base salary be reduced to \$1 for 2017.

Role of the Compensation Consultant

The compensation committee has retained Compensia, a nationally recognized compensation consulting firm, to serve as its compensation consultant. In compliance with the disclosure requirements of the SEC regarding the independence of compensation consultants, the compensation committee has assessed each of the six independence factors established by the SEC and adopted by the NYSE has determined that the engagement of Compensia does not raise any conflicts of interest or similar concerns. In addition, the compensation committee evaluated the independence of its other outside advisors to the compensation committee, including outside legal counsel, considering the same independence factors and concluded their work for the compensation committee does not raise any conflicts of interest.

Compensia reports directly to the compensation committee and does not provide any non-compensation related services to the company. Compensia does not make specific compensation-related recommendations, although it does use the competitive market data described below to provide ranges for base salary, annual cash incentive awards and long-term incentive awards that are consistent with the company's compensation peer group for the compensation committee to consider. Compensia attends certain compensation committee meetings, executive sessions and preparatory meetings with the committee chair and certain executive officers, as requested by the compensation committee.

Use of Competitive Market Data and Peer Groups

The compensation committee directs Compensia to provide it with competitive market data and analysis based on a select group of peer companies and published survey data, as well as information about current market practices and trends, compensation structures and peer group compensation ranges. The comparative market data Compensia provides is based on a compensation peer group selected and approved by the compensation committee with input and guidance from Compensia and published survey data in cases where there is insufficient data within the peer companies. Typically, the compensation peer group is comprised of software companies that are considered similar to us as of the end of the previous fiscal year based on various financial measures such as revenue, market capitalization and growth.

For 2017, our compensation peer group consisted of the following 18 software companies:

2U, Inc.	Ellie Mae, Inc.	Paylocity Holding Corporation
Benefitfocus, Inc.	Imperva, Inc.	Qualys, Inc.
Box, Inc.	LogMeIn, Inc.	RingCentral, Inc.
Callidus Software Inc.	Marketo, Inc.	SPS Commerce, Inc.
Cornerstone OnDemand, Inc.	New Relic, Inc.	Veeva Systems Inc.
Cvent, Inc.	Paycom Software, Inc.	Zendesk, Inc.

The compensation committee may replace some or all of these companies with others from time to time as changes in market positions and company size, including our own, may suggest more representative peer group companies.

Elements of Compensation

Base Salaries

Base salaries for our named executive officers were established initially at the time the individual was hired, taking into account competitive market data provided by Compensia and internal pay equity considerations, as well as the individual's qualifications and experience. Base salaries of our named executive officers are reviewed by our Chief Executive Officer and President and Chief Operating Officer and approved annually by the compensation committee. Adjustments to base salaries are also based on:

- Each named executive officer's position, level of responsibility and seniority.
- The relative ease or difficulty of replacing the individual with a well-qualified person and the number of well-qualified candidates available to assume the person's role.

The compensation committee does not assign a specific weight to any single factor in making decisions regarding base salary adjustments.

In January 2017, after reviewing the base salaries of our named executive officers compared to similarly situated executives at the companies in our compensation peer group, as well as assessing both company and individual performance in 2016, the compensation committee made no adjustments in 2017 to the base salaries for Messrs. Kinzer, Sherman and Madeley. In addition, Messrs. Halligan and Shah each requested that his base salary be reduced to \$1 for 2017.

2018 PROXY STATEMENT | HubSpot, Inc. 21

The following table sets forth the base salaries for our named executive officers for fiscal 2016 and 2017:

	2016 Base	2017 Base	% Change
Named Executive Officer	Salary(1)	Salary(1)	
Brian Halligan	\$375,000	\$1	(100.0)%
John Kinzer	\$312,500	\$312,500	0.0%
J.D. Sherman	\$343,750	\$343,750	0.0%
Hunter Madeley	\$295,313	\$295,313	0.0%
Dharmesh Shah	\$281,250	\$1	(100.0)%

(1) Salary changes are effective as of April 1st of the applicable year.

Annual Cash Incentive Compensation

The named executive officers, as well as our other executive officers, participate in our Senior Executive Cash Incentive Bonus Plan, which provides an opportunity to earn a cash bonus upon achievement of company performance objectives approved by the compensation committee. This program was established to further align individual contributions with our significant corporate goals and to increase focus on executing key business deliverables.

Target Annual Cash Incentive Opportunity. As with base salaries, the target annual cash incentive compensation opportunities (generally expressed as a percentage of base salary) for our named executive officers were established initially at the time the individual was hired, taking into account competitive market data and internal pay equity considerations, as well as the individual's qualifications and experience. Adjustments to target annual cash incentive compensation opportunities are based on an individual's performance, as well as competitive market data and internal pay equity considerations. Along with base salaries, target annual cash incentive compensation opportunities are reviewed and approved annually by the compensation committee.

In 2017, the compensation committee did not make any changes to the target annual cash incentive compensation opportunities for the named executive officers, other than for Messrs. Halligan and Shah, each of whom voluntarily requested to forego any cash bonus payments under the Senior Executive Cash Incentive Bonus Plan.

The following table sets forth the target annual cash incentive compensation opportunities for the named executive officers under our Senior Executive Cash Incentive Bonus Plan for 2016 and 2017:

	2016 Target Bonus (% of annual base salary)	2017 Target Bonus (% of annual base salary)	% Change
Named Executive Officer	(1)	(1)	
Brian Halligan	60 %	0 %	(100)%
John Kinzer	60 %	60 %	0%
J.D. Sherman	60 %	60 %	0%
Hunter Madeley	60 %	60 %	0%
Dharmesh Shah	60 %	0 %	(100)%

(1) Target annual cash incentive compensation changes are effective as of April 1st of the applicable year.

Cash Incentive Determinations. Under the Senior Executive Cash Incentive Bonus Plan, each year (generally during the first quarter) the compensation committee approves company-wide performance objectives, which serve as the basis for determining the eligibility for, and amount of, bonuses to be paid under the program. For 2017, performance under the Senior Executive Cash Incentive Bonus Plan was measured and paid out semi-annually as of June 30th and December 31st. For 2017, the compensation committee selected the following two performance objectives: (1) annual recurring revenue (“ARR”) run rate at June 30, 2017 and December 31, 2017 and (2) non-GAAP operating margin for each of the six months ended June 30, 2017 and December 31, 2017. The performance objectives were weighted 70% for ARR and 30% for non-GAAP operating margin. For purposes of the Senior Executive Cash Incentive Bonus Plan, we define “ARR” as the annual value of our customer subscription contracts as of the specified point in time excluding any commissions owed to our partners and we define “non-GAAP operating margin” as operating margin, calculated in accordance with GAAP, excluding our stock-based compensation expense and the amortization of acquired intangibles. The compensation committee determines the target levels for each of these performance objectives in consultation with management and after taking into consideration our performance for the immediately preceding year. The compensation committee establishes target levels it believes are necessary to provide a competitive overall compensation package in light of each named executive officer’s base salary and to motivate the named executive officers to achieve an aggressive level of

growth and profitability. Our 2017 ARR and non-GAAP operating margin target levels compared to our actual results were:

	Target	Actual
2017 – First Half (June 30, 2017)		
ARR	\$349.877 million	\$348.920 million
Non-GAAP Operating Margin	(2.2)%	2.2 %
2017 – Second Half (December 31, 2017)		
ARR	\$416.706 million	\$411.818 million
Non-GAAP Operating Margin	(0.7)%	2.4 %

The above-referenced performance objectives should not be interpreted as a prediction of how we will perform in future periods. As described above, the purpose of these objectives was to establish a method for determining the payment of annual cash incentive compensation. You are cautioned not to rely on these performance goals as a prediction of our future performance.

Performance Metrics. The graphic below shows our performance metrics selected by the compensation committee for 2017 and the related payout structure of the Senior Executive Cash Incentive Bonus Plan.

Under the Senior Executive Cash Bonus Program in 2017, we had to achieve 100% of the non-GAAP operating margin target level for the portion of the annual cash incentive compensation opportunity attributable to that objective to be paid for the applicable six month measurement period. No bonus was to be paid with respect to the non-GAAP operating margin performance objective if we achieved less than 100% of the target level and the maximum payout was capped at 100% of the target level. In addition, we had to achieve the minimum ARR target levels set forth below for any portion of the annual cash incentive opportunity attributable to the ARR performance objective to be paid for the applicable six month measurement period. ARR achievement at the minimum levels set forth below would result in a 50% payout with respect to the portion of the annual cash incentive compensation opportunity attributable to the ARR performance objective. No bonus is to be paid with respect to the ARR target for achievement levels below the minimums set forth below. Overachievement of the ARR target could increase up to a maximum attainment of 200% with respect to the portion of the bonus opportunity attributable to ARR (70% weighting) and overall bonus payments were capped at 170% of the total annual cash incentive compensation opportunity.

Potential Payout Structure. After the end of each six-month period, the compensation committee reviews our actual achievement against the performance target levels and determines the bonuses, if any, to be paid under the program. The following table shows potential payments for the two performance objectives at various performance target levels:

Payout % (1)	Weighting (%)								
	of total bonus	Minimum	Target		Maximum				
	opportunity)	50%	75%	100%	125%	150%	175%	200%	
2017 – First Half (June 30, 2017)									
ARR (2)	70	%	\$343,370	\$346,624	\$349,877	\$352,154	\$354,432	\$356,709	\$358,987
Non-GAAP Operating Margin (3)	30	%			(2.2)%				
2017 – Second Half (December 31, 2017)									
ARR (2)	70	%	\$401,801	\$409,254	\$416,706	\$421,923	\$427,140	\$432,356	\$437,573
Non-GAAP Operating Margin (3)	30	%			(0.7)%				

(1) Results are interpolated between percentages above the minimum.

(2) All target dollar amounts are expressed in millions.

(3) Payout is zero for non-GAAP operating margin portion of bonus if non-GAAP operating margin is below 100% of target.

Bonus Achievement in 2017. For the first half of 2017, we achieved 92.6% of the ARR target level and over 100% of the non-GAAP operating margin target level, resulting in a total bonus payout equal to 94.9% of the target annual cash incentive compensation opportunities for that six-month period. For the second half of 2017, we achieved 83.6% of the ARR target level and over 100% of the non-GAAP operating margin target level, resulting in a total bonus payout equal to

88.5% of the target annual cash incentive compensation opportunities for that six-month period. As such, the compensation committee awarded the Messrs. Kinzer, Sherman, and Madeley 91.7% of their respective full-year target annual cash incentive compensation opportunities. Messrs. Halligan and Shah voluntarily requested to forego any cash bonus payments under the Senior Executive Cash Incentive Bonus Plan.

A portion of Mr. Madeley's semi-annual cash incentive compensation is paid monthly prior to the determination of his semi-annual bonus amount. If the aggregate monthly payments are greater than the actual semi-annual bonus amount, then the difference is automatically recouped by us on a semi-annual basis. In 2017, Mr. Madeley received monthly payments of \$10,000 under the Senior Executive Cash Incentive Bonus Plan, and no amounts were recouped since his actual semi-annual bonus amount exceeded the aggregate monthly payments.

Please refer to the "2017 Summary Compensation Table" for the actual amounts paid to each of our named executive officers pursuant to our Senior Executive Cash Incentive Bonus Plan for 2017.

Long-Term Equity Incentive Compensation

The named executive officers are eligible to receive long-term equity incentive awards, which are intended to align their interests with the interests of our stockholders. Since the completion of our initial public offering, our long-term equity incentive compensation awards have been made in the form of options to purchase shares of our common stock and RSU awards that are settled in shares of our common stock. Long-term equity incentive awards are generally subject to four-year vesting based on continued employment, with awards subject to vesting in equal monthly and/or quarterly installments, and certain awards subject to an additional one-year cliff vest. We believe that long-term equity incentive awards provide a strong link between our executive officers' compensation and our long-term performance and the creation of stockholder value. We also believe the time-based vesting requirement of our long-term equity incentive awards promote retention by providing an incentive for our executive officers to remain in our employment throughout the vesting period.

All stock option and RSU awards are approved by the compensation committee. The compensation committee grants long-term equity incentive awards to the named executive officers on an annual basis, generally in the first quarter of the year. In determining the size of long-term equity incentive awards for the named executive officers, the compensation committee reviews competitive market data provided by Compensia and grants awards intended to be competitive with the prevailing market practice. In addition to the competitive market data, the compensation committee also considers a number of other factors, including the recommendations of our Chief Executive Officer and President and Chief Operating Officer (except with respect to their own awards), our company's overall performance, the individual executive officer's performance, the relative ease or difficulty of replacing the executive with a well-qualified person and the number of well-qualified candidates available to assume the executive's role, the amount of equity previously awarded to the executive as well as the portion of previously awarded equity that remains unvested and the company's annual equity burn rates.

For 2017, the compensation committee determined that the mix of our long-term equity incentive awards to executive officers would consist of 25% in value of stock options and 75% in value of RSU awards. After considering the factors described above, the compensation committee granted the following long-term equity incentive awards to the named executive officers in 2017:

Named Executive Officer	Restricted Stock	Stock
	Units (# of Shares)	Options (# of Shares)

Edgar Filing: HUBSPOT INC - Form DEF 14A

Brian Halligan	45,063	34,656
John Kinzer	28,539	21,949
J.D. Sherman	28,089	21,602
Hunter Madeley	16,324	12,554
Dharmesh Shah	20,278	15,595

Other Benefits

Health and Welfare Benefits

Our named executive officers are eligible for the same employee benefits available to our employees generally. These include participation in a tax-qualified Section 401(k) plan with a company matching contribution of 50% of the employee's contributions (up to \$2,500 per year) and group health, dental, life and disability insurance plans. The type and extent of benefits offered are intended to be competitive within our industry and region.

Severance and Change in Control Benefits

We do not have any employment or change in control arrangements with our executive officers, except that all of the current outstanding equity awards to our employees, including our named executive officers, under our 2014 Stock Option and Incentive Plan and our 2007 Equity Incentive Plan, include a "double-trigger" vesting acceleration provision in the event of a change in control of the company and a subsequent termination of employment as further described below under "Potential Payments Upon Termination or Change in Control."

Other Compensation Practices and Policies

Perquisites and Personal Benefits. As noted above, our named executive officers are eligible to participate in the same benefits as those offered to all full-time employees. Our Chief Sales Officer commutes from Toronto, Canada to Cambridge, Massachusetts, and our Chief Financial Officer commutes from Arlington, Virginia to Cambridge, Massachusetts. We reimburse them for housing and travel expenses and provide related tax gross-up payments as set forth in the section of this Proxy Statement captioned "Executive Compensation— 2017 Summary Compensation Table." Other than these payments we do not have any programs for providing personal benefits or executive perquisites to our named executive officers.

Policy for Recoupment of Incentive Compensation. We have adopted a Policy for Recoupment of Incentive Compensation (the "Clawback Policy") that applies to those employees who have been designated as "officers" for purposes of Section 16 of the Exchange Act. The Clawback Policy provides that if we are required to prepare an accounting restatement due to the material non-compliance with any financial reporting requirement and/or intentional misconduct by an officer covered by the policy, then a committee of independent directors may require any officer covered by the policy to repay to the Company any incentive compensation received by the officer during the previous three years, to the extent that the committee determines that the incentive compensation was in excess of the amount the officer would have received if the incentive compensation had been calculated based on the financial results reported in the restated financial statement. For purposes of the Clawback Policy, incentive compensation includes income related to annual cash bonuses and long term equity incentive compensation.

Stock Ownership Guidelines. We have adopted a Stock Ownership Policy that is applicable to our non-employee directors and those employees who have been designated as "officers" for purposes of Section 16 of the Exchange Act. The Stock Ownership Policy requires that non-employee directors hold equity in the Company with a value equal to at least three times the director's annual Board cash retainer, the Chief Executive Officer own equity in the Company equal to at least three times his annual base salary and that all other covered executives own equity in the Company equal to at least one times his or her annual base salary. The Stock Ownership Policy provides for a phase-in period, which provides that an individual subject to this policy is required to be in compliance with the minimum equity ownership requirement by the later of December 31, 2021 or the first December 31st that occurs following the five-year anniversary of date on which the non-employee director or Section 16 officer first became subject to the Stock Ownership Policy. The Stock Ownership Policy also includes certain share retention obligations that apply to officers and directors who have not met the minimum equity ownership requirements by the end of their phase-in date or who cease to hold the minimum equity ownership at any time following such date.

Anti-Hedging and Anti-Pledging Policies. Our insider trading policies prohibit all members of our Board of Directors, executive officers, and other employees from buying our securities on margin, holding such securities in a margin account, buying or selling derivatives on such securities, and engaging in short sales involving such securities. In addition, our insider trading policies prohibits all members of our Board of Directors, executive officers, and other employees from pledging our securities as collateral for a loan.

Tax Deductibility. Section 162(m) of the Internal Revenue Code generally places a \$1 million limit on the amount of compensation a company can deduct in any one year for certain executive officers and certain other individuals. While our Compensation Committee considers tax deductibility as one factor in determining executive compensation, our Compensation Committee also looks at other factors in making its decisions, as noted above, and retains the flexibility to award compensation that it determines to be consistent with the goals of our executive compensation program even if the awards are not deductible by us for tax purposes. The exemption from Section 162(m)'s deduction limit for performance-based compensation has been repealed, effective for taxable years beginning after December 31, 2017, such that compensation paid to our named executive officers in excess of \$1 million will not be deductible unless it qualifies for the limited transition relief applicable to certain arrangements in place as of November 2, 2017. Despite our compensation committee's efforts to structure certain awards (such as stock options) in a manner intended to be exempt from Section 162(m) and therefore not subject to its deduction limits, because of ambiguities and uncertainties as to the application and interpretation of Section 162(m) and the regulations issued thereunder, including the uncertain scope of the transition relief under the legislation repealing the performance-based compensation exemption from the deduction limit, no assurance can be given that compensation intended to satisfy the requirements for exemption from Section 162(m) in fact will. Further, our compensation committee reserves the right to modify compensation that was initially intended to be exempt from Section 162(m) if it determines that such modifications are consistent with our business needs. Our compensation committee believes that shareholder interests are best served if it maintains flexibility in awarding compensation, even though some compensation may result in non-deductible compensation expenses, when we believe such compensation is appropriate to attract and retain executive talent.

Accounting for Stock-Based Compensation. We follow Financial Accounting Standard Board ("FASB"), Accounting Standards Codification Topic 718 ("ASC Topic 718"), Compensation — Stock Compensation, for our stock-based compensation awards to employees. FASB ASC Topic 718 requires companies to measure the compensation expense for all share-based payment awards made to employees and directors, including stock options, restricted stock awards and RSU awards, based on the grant date "fair value" of these awards. This calculation is performed for accounting purposes and reported in the compensation tables below, even though our executive officers may never realize any value from their awards. FASB ASC Topic 718 also requires companies to recognize the compensation cost of their stock-based compensation awards in their statements of operations over the period that an employee or director is required to render service in exchange for the option or other award. The compensation committee considers the impact of FASB ASC Topic 718 when making equity-based awards.

Employee Benefit Plans

Retirement Plans

We maintain a tax-qualified Section 401(k) retirement plan for eligible employees in the United States. Under our Section 401(k) plan, employees may elect to defer up to 96% of their eligible compensation subject to applicable annual limits set pursuant to the Code. We currently provide an employee matching contribution under the Section 401(k) plan. Employees are 100% vested in their contributions to the Section 401(k) plan and any employer contributions after one year of service. We intend for the Section 401(k) plan to qualify, depending on the employee's election, under Section 401(a) of the Code so that contributions by employees, and income earned on those contributions, are not taxable to employees until withdrawn from the Section 401(k) plan.

Indemnification of Officers and Directors

We have agreed to indemnify our directors and officers in certain circumstances. See "Related Party Transactions—Limitation of Liability and Indemnification of Officers and Directors."

Compensation Committee Interlocks and Insider Participation

During 2017, the compensation committee was comprised of Messrs. Bohn, Simon, Simons and Skok. Mr. Simons joined the compensation committee in January 2017. Messrs. Bohn and Skok retired from the Board of Directors in October 2017 and April 2018, respectively. None of the members of the compensation committee is an officer or employee of our company. None of our executive officers currently serves, or in the past year has served, as a member of the Board of Directors or compensation committee of any entity that has one or more executive officers serving on our board of directors or compensation committee.

2018 PROXY STATEMENT | HubSpot, Inc. 27

Tabular Disclosure Regarding Executive Compensation

The following tables provide information regarding the compensation awarded to or earned during our fiscal years indicated by our named executive officers.

2017 Summary Compensation Table

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)(1)	Option Awards (\$)(1)	Non-Equity Incentive Plan Compensation (\$)(2)	All Other Compensation (\$)	Total (\$)
Brian Halligan (3) Chief Executive Officer	2017	1	—	2,379,326	793,269	—	1,242	(4) 3,173,838
	2016	199,330	—	918,471	301,080	90,450	2,506	1,511,837
	2015	299,265	—	1,477,300	453,480	254,584	2,310	2,486,939
John Kinzer Chief Financial Officer	2017	312,500	—	1,506,859	502,408	171,938	37,225	(5) 2,530,930
	2016	304,688	—	1,177,516	386,004	165,150	2,810	2,036,168
	2015	277,188	—	521,400	160,054	235,766	2,310	1,196,718
J.D. Sherman President and Chief Operating Officer	2017	343,750	—	1,483,099	494,466	189,131	3,742	(6) 2,514,188
	2016	328,125	—	1,198,095	392,747	177,413	3,242	2,099,622
	2015	275,828	—	869,000	266,761	234,616	2,742	1,648,947
Hunter Madeley Chief Sales Officer	2017	295,313	—	861,907	287,359	162,481	186,063	(7) 1,793,123
	2016	291,797	—	1,057,126	346,524	158,405	192,183	2,046,035
	2015	281,250	—	395,100	263,413	239,203	178,620	1,357,586
Dharmesh Shah (3) Chief Technology Officer	2017	1	—	1,070,678	356,967	—	1,242	(4) 1,428,888
	2016	281,250	—	1,033,259	338,713	152,888	2,810	1,808,920
	2015	275,828	—	869,000	266,761	234,616	2,310	1,648,515

- (1) The amounts reported represent the aggregate grant-date fair value of the RSU awards that may be settled for shares of our common stock and options to purchase shares of our common stock calculated in accordance with ASC Topic 718. Such grant-date fair value does not take into account any estimated forfeitures related to service-based vesting conditions. The assumptions used in calculating the grant-date fair value are set forth in the notes to our audited consolidated financial statements presented in our Annual Report on Form 10-K for the fiscal year ended December 31, 2017 (the “2017 Form 10-K”).
- (2) The amounts reported reflect performance-based cash bonus payments awarded based on the achievement of certain corporate performance goals under our Senior Executive Cash Incentive Bonus Plan.
- (3) During 2017, Messrs. Halligan and Shah voluntarily elected to receive a base salary of \$1 and to forego any cash bonus payments under the Senior Executive Cash Incentive Bonus Plan.
- (4) The amount reported includes group term life insurance.
- (5) The amount reported includes Section 401(k) matching contributions, group term life insurance, reimbursement for housing and commuting expenses of \$16,994 and related tax gross-up payments of \$16,921.
- (6) The amount reported includes Section 401(k) matching contributions and group term life insurance.

(7) The amount reported includes group term life insurance, reimbursement for housing and commuting expenses of \$97,863 and related tax gross-up payments of \$86,958.

2018 PROXY STATEMENT | HubSpot, Inc. 28

2017 Grants of Plan-Based Awards Table

Name	Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards (1)			Estimated Future Payouts Under Equity Incentive Plan Awards			All other Stock Awards: Number of Shares of Stock or units	All other Option Awards: Number of Securities Underlying of Options	Exercise of Base Price of Option Awards (\$/Sh)	Grant Date Fair Value of Stock and Option Awards (\$)
		Threshold	Target	Maximum	Threshold	Target	Maximum	(#) (2)	(#) (3)	(4)	(5)
Brian Halligan	—	—	—	—	—	—	—	—	—	—	—
	2/1/2017	—	—	—	—	—	—	45,063	—	—	2,379,326
	2/1/2017	—	—	—	—	—	—	—	34,656	52.80	793,269
John Kinzer	—	65,625	187,500	318,750	—	—	—	—	—	—	—
	2/1/2017	—	—	—	—	—	—	28,539	—	—	1,506,859
	2/1/2017	—	—	—	—	—	—	—	21,949	52.80	502,408
J.D. Sherman	—	72,188	206,250	350,625	—	—	—	—	—	—	—
	2/1/2017	—	—	—	—	—	—	28,089	—	—	1,483,099
	2/1/2017	—	—	—	—	—	—	—	21,602	52.80	494,466
Hunter Madeley	—	62,016	177,188	301,219	—	—	—	—	—	—	—
	2/1/2017	—	—	—	—	—	—	16,324	—	—	861,907
	2/1/2017	—	—	—	—	—	—	—	12,554	52.80	287,359
Dharmesh Shah	—	—	—	—	—	—	—	—	—	—	—
	2/1/2017	—	—	—	—	—	—	20,278	—	—	1,070,678
	2/1/2017	—	—	—	—	—	—	—	15,595	52.80	356,967

- (1) The amounts reported in the "Estimated Future Payouts Under Non-Equity Incentive Plan Awards" column, sub-column "Threshold," reflect the minimum payment level of short-term incentive compensation for each of the named executive officers under our Senior Executive Cash Incentive Bonus Plan. The amounts reported in the "Maximum," sub-column reflect that for 2017, the program provided the potential to earn a maximum of 170% of the target bonus opportunity. The specific components of the Senior Executive Cash Incentive Bonus Plan are described in the "Performance-Based Cash Incentive Compensation" section of this Proxy Statement. Non-equity incentive plan awards actually paid by the Company for services rendered in 2017 are reported in the "Non-Equity Incentive Plan Compensation" column of the "2017 Summary Compensation Table" above.
- (2) Consists of RSU awards granted under our 2014 Stock Option and Incentive Plan. Each RSU award vests over four years with 25% of the shares of our common stock subject to the award vesting on January 1, 2018 and the remainder vesting in 36 equal monthly installments thereafter.
- (3) Consists of options to purchase shares of our common stock granted under our 2014 Stock Option and Incentive Plan. Each stock option vests over four years with 25% of the shares of our common stock subject to the award vesting on January 1, 2018 and the remainder vesting in 36 equal monthly installments thereafter.
- (4)

The exercise price is equal to the closing market price of our common stock on The New York Stock Exchange on the date of grant.

- (5) The amounts reported represent the aggregate grant-date fair value of the RSU awards and stock options calculated in accordance with ASC Topic 718. Such grant-date fair value does not take into account any estimated forfeitures related to service-based vesting conditions. The assumptions used in calculating the grant-date fair value are set forth in the notes to our audited consolidated financial statements presented in the 2017 Form 10-K.

2018 PROXY STATEMENT | HubSpot, Inc. 29

2017 Outstanding Equity Awards at Fiscal Year-End Table

Name	Grant Date	Start Date ⁽³⁾	Option Awards ⁽¹⁾ Equity Incentive Plan Awards:					Stock Awards ⁽²⁾ Market	
			Number of Securities Underlying Unexercised Options	Number of Securities Underlying Unexercised Options	Number of Securities Underlying Unexercised Options	Option Exercise Price	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested	Value of Shares or Units of Stock That Have Not Vested
			(#)	(#)	(#)	(\$)		(#)	(\$) ⁽⁴⁾
			Exercisable	Unexercisable	Available				
Brian Halligan	3/9/2010	3/9/2010	100,397	—		1.53	3/9/2020		
	5/8/2012	4/1/2012	266,666	—		5.76	5/8/2022		
	1/29/2014	1/1/2014	14,683	317		16.14	1/29/2024		
	1/29/2014	1/1/2014						294	25,990
	2/10/2015	1/1/2015	20,659	7,674		34.76	2/10/2025		
	2/10/2015	1/1/2015						11,511	1,017,572
	1/29/2016	1/1/2016	8,514	9,255		40.59	1/29/2026		
	1/29/2016	1/1/2016						11,786	1,041,882
	2/1/2017	1/1/2017	—	34,656		52.80	2/1/2027		
	2/1/2017	1/1/2017						45,063	3,983,569
John Kinzer	11/4/2013	11/4/2013	32,225	—		14.40	11/4/2023		
	2/10/2015	1/1/2015	7,291	2,709		34.76	2/10/2025		
	2/10/2015	1/1/2015						4,063	359,169
	1/29/2016	1/1/2016	10,915	11,866		40.59	1/29/2026		
	1/29/2016	1/1/2016						15,110	1,335,724
	2/1/2017	1/1/2017	—	21,949		52.80	2/1/2027		
	2/1/2017	1/1/2017						28,539	2,522,848
J.D. Sherman	5/8/2012	3/1/2012	433,223	—		5.76	5/8/2022		
	1/29/2014	1/1/2014	3,645	106		16.14	1/29/2024		
	1/29/2014	1/1/2014						110	9,724
	2/10/2015	1/1/2015	9,855	4,515		34.76	2/10/2025		
	2/10/2015	1/1/2015						6,771	598,556
	1/29/2016	1/1/2016	11,105	12,074		40.59	1/29/2026		
	1/29/2016	1/1/2016						15,374	1,359,062
	2/1/2017	1/1/2017	—	21,602		52.80	2/1/2027		
	2/1/2017	1/1/2017						28,089	2,483,068
Hunter Madeley	7/30/2014	4/1/2014						11,111	982,212
	2/10/2015	1/1/2015	4,860	1,807		34.76	2/10/2025		
	2/10/2015	1/1/2015						2,709	239,476

Edgar Filing: HUBSPOT INC - Form DEF 14A

	1/29/2016	1/1/2016	9,798	10,653	40.59	1/29/2026		
	1/29/2016	1/1/2016					13,565	1,199,146
	2/1/2017	1/1/2017	—	12,554	52.80	2/1/2027		
	2/1/2017	1/1/2017					16,324	1,443,042
Dharmesh Shah	3/9/2010	3/9/2010	150,397	—	1.53	3/9/2020		
	1/29/2014	1/1/2014	4,890	110	16.14	1/29/2024		
	1/29/2014	1/1/2014					110	9,724
	2/10/2015	1/1/2015	12,152	4,515	34.76	2/10/2025		
	2/10/2015	1/1/2015					6,771	598,556
	1/29/2016	1/1/2016	9,578	10,412	40.59	1/29/2026		
	1/29/2016	1/1/2016					13,259	1,172,096
	2/1/2017	1/1/2017	—	15,595	52.80	2/1/2027		
	2/1/2017	1/1/2017					20,278	1,792,575

- (1) Unless otherwise indicated, these stock options vest over four years, with 25% of the shares of our common stock subject to the option vesting on the first anniversary of the vesting start date and the remainder vesting in 36 equal monthly installments thereafter.
- (2) Unless otherwise indicated, these RSU awards vest over four years, with 25% of the shares of our common stock subject to the awards vesting on the first anniversary of the vesting start date and the remainder vesting in 36 equal monthly installments thereafter.
- (3) The vesting start date is fixed by the compensation committee when granting equity awards.
- (4) Represents the fair market value of the unvested shares of our common stock as of December 31, 2017 based upon the closing market price of our common stock on December 29, 2017, the last trading day of 2017, of \$88.40 per share.

2017 Options Exercised and Stock Vested Table

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$) ⁽¹⁾	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$) ⁽²⁾
Brian Halligan	50,000	2,903,500	24,795	1,597,330
John Kinzer	46,944	2,850,941	40,575	2,626,458
J.D. Sherman	39,809	2,507,661	21,641	1,347,284
Hunter Madeley	—	—	48,313	3,199,040
Dharmesh Shah	—	—	19,695	1,232,866

- (1) The value realized on exercise is based on the difference between the fair market value of a share of our common stock on the exercise date, less the per share exercise price of the related stock option, multiplied by the number of shares for which the options were exercised.
- (2) The value realized on vesting is based on the closing market price per share of our common stock on the vesting date, which ranged from \$47.85 to \$90.50, multiplied by the number of shares that vested.

2017 Potential Payments upon Termination or Change in Control

All current outstanding equity awards granted to our named executive officers under our 2014 Stock Option and Incentive Plan and our 2007 Equity Incentive Plan include a “double-trigger” vesting acceleration provision in the event of a change of control of the company. Pursuant to the forms of stock option agreement, restricted stock agreement and RSU agreement, in the case of a “sale event” (as defined in our 2014 Stock Option and Incentive Plan) or in the case of a “change of control” (as defined in our 2007 Equity Incentive Plan), in each case in which outstanding awards are assumed, substituted or otherwise continued by a successor entity, and the award holder’s employment or service relationship with us terminates, such holder’s awards will vest in full as of the date of termination if such termination occurs (i) within 12 months after such sale event or change of control or 90 days prior to such event and (ii) such termination is by us without “cause” (as defined in the applicable award agreement) or by such holder for “good reason” (as defined in the applicable award agreement). There are no other payments or benefits provided to named executive officers in the event of a termination of employment or change in control of the Company.

The following table shows the potential payments and benefits to be received by each of our named executive officers in the event that his employment was terminated by us without cause or by the named executive officer for good reason within 12 months following, or 90 days prior to, such sale event or change of control of the Company. The amounts in the table below have been calculated based on the assumption that the sale event/change of control and employment termination took place on December 31, 2017.

	Equity Acceleration Benefits Payable Upon Termination
	Without Cause/for Good Reason in connection with
Named Executive Officer	Change in Control (1)
Brian Halligan	\$ 8,179,789
John Kinzer	5,711,749
J.D. Sherman	6,046,543
Hunter Madeley	4,917,045
Dharmesh Shah	4,876,064

(1) Consists of the vesting of outstanding equity awards that would accelerate pursuant to the “double-trigger” change in control provisions included in the applicable award agreements. Amounts in this column are calculated based on \$88.40 per share, the closing market price of our common stock on December 29, 2017, the last trading day of 2017.

CEO Pay Ratio

Our compensation and benefits philosophy and the overall structure of our compensation and benefit programs are broadly similar across the organization to encourage and reward all employees who contribute to our success. We strive to ensure the pay of each of our employees reflects the level of their job impact and responsibilities and is competitive within our peer group. As of December 31, 2017, we employed 2,102 people and strive to maintain a diverse and engaged workforce.

Under rules adopted pursuant to the Dodd-Frank Act of 2010, we are required to calculate and disclose the total compensation paid to our median paid employee, as well as the ratio of the total compensation paid to the median employee as compared to the total compensation paid to our CEO. The paragraphs that follow describe our methodology and the resulting CEO Pay ratio.

For 2017:

the annual total compensation of the employee identified at the median of all employees of our company (other than our CEO) was \$105,000; and

the annual total compensation of Mr. Brian Halligan, our Chief Executive Officer, was \$3,173,838. Based on this information, for 2017 the ratio of the annual total compensation of our CEO to the median of the annual total compensation of all employees was 30 to 1. This ratio is a reasonable estimate calculated in a manner consistent with Item 402(u) of Regulation S-K under the Securities Exchange Act of 1934, as amended.

As permitted by SEC rules, to identify our median employee, we selected a compensation measure comprised of the following elements, which we believe reasonably reflects the annual compensation of our employees:

- base salary, which we calculated as annual base salary using a reasonable estimate of the hours worked during 2017 for hourly employees and annual salary levels for our remaining employees, and annualizing the compensation for any newly hired permanent employees during 2017;
- bonus target, which we calculated for eligible employees based upon a percentage of their base salary; and
- the grant date “fair value” of equity awarded to eligible employees in 2017, which we calculated pursuant to Financial Accounting Standard Board, Accounting Standards Codification Topic 718, Compensation — Stock Compensation.

We calculated the sum of these compensation elements for our employees as of December 31, 2017 for the 12-month period from January 1, 2017 through December 31, 2017. We annualized base salary for any employees who commenced work during 2017. Using this approach, we identified the individual at the median of our employee population, who is a full-time, salaried software engineer based in the United States, and determined that the employee’s annual total compensation was \$105,000 (excluding any estimated retirement and health benefits) in accordance with the requirements of the Summary Compensation Table.

In connection with the compensation committee's executive compensation determinations for fiscal year 2018, Mr. Halligan requested, and the compensation committee agreed, to reduce the amount of his annual equity grant for fiscal year 2018 such that the ratio of the annual total compensation of our CEO to the median of the annual total compensation of all employees will be approximately 25 to 1 for fiscal year 2018. As a result, although the compensation committee had intended to award Mr. Halligan an equity award with a fair market value of \$3,437,500, it instead awarded Mr. Halligan, pursuant to his request, a reduced equity award with a fair market value of \$2,750,000 on March 1, 2018.

Director Compensation

The following table provides certain information concerning compensation earned by the directors who were not named executive officers during the year ended December 31, 2017 pursuant to our Non-Employee Director Compensation Policy. Mr. Halligan and Mr. Shah, who are also our Chief Executive Officer and Chief Technology Officer, respectively, receive no compensation for their services as directors and, consequently, are not included in this table. The compensation received by Mr. Halligan and Mr. Shah during 2017 is set forth in the section of this Proxy Statement captioned "Executive Compensation— 2017 Summary Compensation Table." Non-employee directors affiliated with an investor in our company that holds one percent or more of our capital stock are not eligible to participate in the Non-Employee Director Compensation Policy and do not receive compensation for their service on the Board. Mr. Sahai is not included in the tables below as he joined the Board in April 2018, and the Company did not pay compensation to him in 2017.

2017 Director Compensation Table

Name	Fees Earned or Paid			
	Cash in (\$)	Stock Awards (\$) ⁽¹⁾	Option Awards (\$) ⁽¹⁾	Total (\$)
Larry Bohn (2)	-	-	-	-
Ron Gill	55,600	134,417	44,628	234,645
Julie Herendeen	40,100	134,417	44,628	219,145
Lorrie Norrington	50,500	134,417	44,628	229,545
Michael Simon	45,000	134,417	44,628	224,045
Jay Simons (3)	32,667	134,417	60,906	227,990
David Skok (4)	42,100	134,417	44,628	221,145
Jill Ward (5)	6,277	82,945	27,749	116,971

(1) The amounts reported represent the aggregate grant-date fair value of RSU awards that may be settled for shares of our common stock and options to purchase shares of our common stock calculated in accordance with ASC Topic 718. Such grant-date fair value does not take into account any estimated forfeitures related to service-based vesting conditions. The assumptions used in calculating the grant-date fair value are set forth in the notes to our audited consolidated financial statements presented in the 2017 Form 10-K.

(2) Mr. Bohn is affiliated with General Catalyst, an investor in our company who held one percent or more of our capital stock in 2017 and, accordingly, he did not receive compensation for his services as a director during 2017. Mr. Bohn retired from the Board of Directors in October 2017.

(3) Mr. Simons joined the Board of Directors in January 2017.

(4) Mr. Skok retired from the Board of Directors in April 2018.

(5)Ms. Ward joined the Board of Directors in October 2017.
2018 PROXY STATEMENT | HubSpot, Inc. 33

Our non-employee directors held the following aggregate number of shares of our common stock subject to unexercised stock option and unvested RSU awards as of December 31, 2017:

	Number of Securities Underlying Unexercised Options	Number of Unvested Restricted Stock Units
Name		
Larry Bohn	-	-
Ron Gill	33,159	1,764
Julie Herendeen	1,495	1,764
Lorrie Norrington	52,508	1,764
Michael Simon	71,659	1,764
Jay Simons	766	1,764
David Skok	-	1,764
Jill Ward	-	1,014

Pursuant to our Non-Employee Director Compensation Policy in effect for 2017, non-employee/non-investor affiliate directors were paid an annual cash retainer of \$30,000, our lead independent director was paid an additional annual cash retainer of \$11,500 and committee members and committee chair received additional annual cash retainer fees as set forth below:

	Audit Committee	Compensation Committee	Nominating and Corporate Governance Committee
Annual Committee Member Retainer	\$ 7,100	\$ 5,000	\$ 3,000
Annual Committee Chairman Retainer	\$ 18,500	\$ 10,000	\$ 6,000

In addition, each of our non-employee/non-investor affiliate directors received an annual equity award with a value of \$165,000, 25% of which was in the form of an option to purchase shares of our common stock and 75% of which was in the form of an RSU award that are settled in shares of our common stock, that vest upon the first anniversary of such grant date (or, if earlier, immediately prior to the annual meeting of stockholders that is closest to the one year anniversary); provided, however, that all vesting ceases if the director resigns from our Board of Directors or otherwise ceases to serve as a director, unless the Board of Directors determines that the circumstances warrant continuation of vesting. Newly-elected directors receive a pro-rated annual equity award. All unvested options or RSU awards held by a non-employee director accelerate and immediately vest if the non-employee director's service relationship ends within three months prior to or 12 months following a "sale event" (as defined in the Company's 2014 Stock Option and Incentive Plan).

We reimburse our non-employee directors for their travel, lodging and other reasonable expenses incurred in attending meetings of our Board of Directors and committees of the Board of Directors.

Equity Compensation Plan Information

The following table sets forth information regarding our equity compensation plans as of December 31, 2017.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants, and RSUs		Weighted-average Exercise Price of Outstanding Options (\$)(1)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans	
Equity compensation plans approved by stockholders(2)	4,400,652	(3)	16.69	4,455,875	(4)
Equity compensation plans not approved by stockholders	—		—	—	
Total	4,400,652		16.69	4,455,875	

- (1) The weighted-average exercise price is calculated based solely on the exercise prices of the outstanding options to purchase shares of our common stock. It does not reflect the shares of our common stock that will be issued upon the vesting of outstanding awards of RSUs, which have no exercise price.
- (2) These plans consist of our 2007 Equity Incentive Plan (terminated in October 2014), our 2014 Stock Option and Incentive Plan, and our Employee Stock Purchase Plan.
- (3) This number includes 1,782,547 shares of our common stock subject to outstanding awards granted under our 2007 Equity Incentive Plan, of which 1,733,656 shares were subject to outstanding options and 48,891 shares were subject to outstanding RSU awards, and 2,618,105 shares subject to outstanding awards granted under our 2014 Stock Option and Incentive Plan, of which 581,532 shares were subject to outstanding options and 2,036,573 shares were subject to outstanding RSU awards.
- (4) This number includes 3,267,621 shares of our common stock available for issuance under our 2014 Stock Option and Incentive Plan, and 1,188,254 shares reserved for issuance under our Employee Stock Purchase Plan. The number of shares available for issuance under the 2014 Stock Option and Incentive Plan automatically increase each January 1 by 5% of the outstanding number of shares of our common stock on the immediately preceding December 31 or such lesser number of shares as determined by our compensation committee. The number of shares available for issuance under the Employee Stock Purchase Plan automatically increase each January 1 by 1% of the outstanding number of shares of our common stock on the immediately preceding December 31 or such lesser number of shares as determined by our compensation committee.

Report of the Compensation Committee of the Board of Directors

The compensation committee has reviewed and discussed the Compensation Discussion and Analysis with management. Based on the review and discussions, the compensation committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement for the year ended December 31, 2017.

Compensation Committee

Michael Simon (Chairperson)

Jay Simons

2018 PROXY STATEMENT | HubSpot, Inc. 35

RELATED PARTY TRANSACTIONS

Certain Relationships and Transactions

Other than compensation arrangements for our directors and named executive officers, which are described elsewhere in the “Executive Compensation” section of this proxy statement, below we describe transactions since January 1, 2017 to which we were a party or will be a party, in which:

- the amounts involved exceeded or will exceed \$120,000; and
- any of our directors, executive officers or holders of more than 5% of our capital stock, or any member of the immediate family of, or person sharing the household with, the foregoing persons, had or will have a direct or indirect material interest.

Limitation of Liability and Indemnification of Officers and Directors

Our amended and restated certificate of incorporation contains provisions that limit the liability of our directors for monetary damages to the fullest extent permitted by Delaware law. Consequently, our directors will not be personally liable to us or our stockholders for monetary damages for any breach of fiduciary duties as directors, except liability for the following:

- any breach of their duty of loyalty to our company or our stockholders;
- any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- unlawful payments of dividends or unlawful stock repurchases or redemptions as provided in Section 174 of the Delaware General Corporation Law; or
- any transaction from which they derived an improper personal benefit.

Any amendment to, or repeal of, these provisions will not eliminate or reduce the effect of these provisions in respect of any act, omission or claim that occurred or arose prior to that amendment or repeal. If the Delaware General Corporation Law is amended to provide for further limitations on the personal liability of directors of corporations, then the personal liability of our directors will be further limited to the greatest extent permitted by the Delaware General Corporation Law.

In addition, we adopted amended and restated bylaws which provide that we will indemnify, to the fullest extent permitted by law, any person who is or was a party or is threatened to be made a party to any action, suit or proceeding by reason of the fact that he or she is or was one of our directors or officers or is or was serving at our request as a director or officer of another corporation, partnership, joint venture, trust, or other enterprise. Our amended and restated bylaws provide that we may indemnify to the fullest extent permitted by law any person who is or was a party or is threatened to be made a party to any action, suit, or proceeding by reason of the fact that he or she is or was one of our employees or agents or is or was serving at our request as an employee or agent of another corporation, partnership, joint venture, trust or other enterprise. Our amended and restated bylaws also provide that we must advance expenses incurred by or on behalf of a director or officer in advance of the final disposition of any action or proceeding, subject to very limited exceptions.

Further, we have entered into indemnification agreements with each of our directors and executive officers that are broader than the specific indemnification provisions contained in the Delaware General Corporation Law. These indemnification agreements require us, among other things, to indemnify our directors and executive officers against liabilities that may arise by reason of their status or service. These indemnification agreements also require us to advance all expenses incurred by the directors and executive officers in investigating or defending any such action, suit or proceeding. We believe that these agreements are necessary to attract and retain qualified individuals to serve as directors and executive officers.

The limitation of liability and indemnification provisions included in our amended and restated certificate of incorporation, amended and restated bylaws and in indemnification agreements that we entered into or may in the

future enter into with our directors and executive officers may discourage stockholders from bringing a lawsuit against our directors and executive officers for breach of their fiduciary duties. They may also reduce the likelihood of derivative litigation against our directors and executive officers, even though an action, if successful, might benefit us and other stockholders. Further, a stockholder's investment may be harmed to the extent that we pay the costs of settlement and damage awards against directors and executive officers as required by these indemnification provisions. At present, we are not aware of any pending litigation or proceeding involving any person who is or was one of our directors, officers, employees or other agents or is or was serving at our request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, for which indemnification is sought, and we are not aware of any threatened litigation that may result in claims for indemnification.

We have obtained insurance policies under which, subject to the limitations of the policies, coverage is provided to our directors and executive officers against loss arising from claims made by reason of breach of fiduciary duty or other wrongful acts as a director or executive officer, including claims relating to public securities matters, and to us with respect to payments that may be made by us to these directors and executive officers pursuant to our indemnification obligations or otherwise as a matter of law.

Certain of our non-employee directors may, through their relationships with their employers, be insured and/or indemnified against certain liabilities incurred in their capacity as members of our board of directors.

The underwriting agreement provides for indemnification by the underwriters of us and our officers, directors and employees for certain liabilities arising under the Securities Act or otherwise.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling our company pursuant to the foregoing provisions, we have been informed that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Other Transactions with Our Executive Officers and Directors and Affiliated Entities

We have granted stock options and RSUs to our executive officers and certain of our directors. See the section captioned “Executive Compensation—Outstanding Equity Awards at Fiscal Year-End” for a description of these stock options and RSUs.

Investment

In September 2017, the Company purchased \$2,000,000 of equity securities from an early-stage venture-capital-backed company. The Company made this investment alongside other venture capital investors on the same terms and conditions as those other investors. The Audit Committee ratified this transaction pursuant to our the policies and procedures for related party transactions, as described below. Mr. Bohn, who served on our Board of Directors until his retirement in October 2017, is also a Managing Partner of General Catalyst Partners, which invested \$12.5 million in this other corporation and is a holder of at least 10% of the securities of the corporation.

Policies and Procedures for Related Party Transactions

The audit committee of our board of directors has the primary responsibility for reviewing and approving or disapproving “related party transactions,” which are transactions between us and related persons in which the aggregate amount involved exceeds or may be expected to exceed \$120,000 and in which a related person has or will have a direct or indirect material interest. For purposes of this policy, a related person is defined as a director, executive officer, nominee for director or greater than 5% beneficial owner of our common stock, in each case since the beginning of the most recently completed year, and their immediate family members. Our audit committee charter provides that the audit committee shall review and approve or disapprove any related party transactions. We also adopted a formal policy governing the review and approval of related party transactions.

TRANSACTION OF OTHER BUSINESS

The Board knows of no other matters that will be presented for consideration at the Annual Meeting. If any other matters are properly brought before the Annual Meeting, the persons appointed in the accompanying proxy intend to vote the shares represented thereby in accordance with their best judgment on such matters, under applicable laws.

ADDITIONAL INFORMATION

Procedures for Submitting Stockholder Proposals

Requirements for Stockholder Proposals to be Brought Before the Annual Meeting. Our bylaws provide that, for nominations of persons for election to our Board or other proposals to be considered at an annual meeting of stockholders, a stockholder must give written notice to our Secretary at 25 First Street, 2nd Floor, Cambridge, MA 02141, not later than the close of business 90 days, nor earlier than the close of business 120 days, prior to the first anniversary of the date of the preceding year's annual meeting. However, the bylaws also provide that in the event the date of the annual meeting is more than 30 days before or more than 60 days after such anniversary date, notice must be delivered not later than the close of business on the later of the 90th day prior to such annual meeting or the 10th day following the day on which public announcement of the date of such meeting is first made. Any nomination must include all information relating to the nominee that is required to be disclosed in solicitations of proxies for election of directors in election contests or is otherwise required under Regulation 14A of the Exchange Act, the person's written consent to be named in the proxy statement and to serve as a director if elected and such information as we might reasonably require to determine the eligibility of the person to serve as a director. As to other business, the notice must include a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting, and any material interest of such stockholder (and the beneficial owner) in the proposal. The proposal must be a proper subject for stockholder action. In addition, to make a nomination or proposal, the stockholder must be of record at the time the notice is made and must provide certain information regarding itself (and the beneficial owner), including the name and address, as they appear on our books, of the stockholder proposing such business, the number of shares of our capital stock which are, directly or indirectly, owned beneficially or of record by the stockholder proposing such business or its affiliates or associates (as defined in Rule 12b-2 promulgated under the Exchange Act) and certain additional information.

The advance notice requirements under our Bylaws for the 2019 Annual Meeting of Stockholders are as follows: a stockholder's notice shall be timely if delivered to our Secretary at the address set forth above not earlier than February 6, 2019 and not later than the close of business on March 8, 2019. However, if the date of our 2019 Annual Meeting of Stockholders occurs more than 30 days before or 60 days after June 6, 2019, the anniversary of the 2018 Annual Meeting, a stockholder notice will be timely if it is received at the address set forth above by the later of the close of business on (1) the 90th day prior to such annual meeting or (2) the tenth day following the day on which public disclosure of the date of the meeting is made.

Requirements for Stockholder Proposals to be Considered for Inclusion in the Company's Proxy Materials. In addition to the requirements stated above, any stockholder who wishes to submit a proposal for inclusion in our proxy materials must comply with Rule 14a-8 promulgated under the Exchange Act. For such proposals to be included in our proxy materials relating to our 2019 annual meeting of stockholders, all applicable requirements of Rule 14a-8 must be satisfied and we must receive such proposals no later than December 25, 2018. Such proposals must be delivered to our Secretary, c/o HubSpot, Inc., 25 First Street, 2nd Floor, Cambridge, MA 02141.

VOTE BY INTERNET - www.proxyvote.com Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 p.m. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form. ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS If you would like to reduce the costs incurred by our company in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access proxy materials electronically in future years. VOTE BY PHONE - 1-800-690-6903 Use any touch-tone telephone to transmit your voting instructions up until 11:59 p.m. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you call and then follow the instructions. VOTE BY MAIL Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717. HUBSPOT, INC. 25 FIRST STREET, 2ND FLOOR CAMBRIDGE, MA 02141 E44036-P03452 HUBSPOT, INC. The Board of Directors recommends you vote FOR the following: 1. Elect three directors to serve as Class I directors for a term of three years and until their successors are duly elected and qualified, subject to their earlier resignation or removal. For Against Abstain Nominees: ! ! ! 1a. Brian Halligan ! ! ! 1b. Ron Gill ! ! ! 1c. Jill Ward The Board of Directors recommends you vote FOR the following proposals: For Against Abstain ! ! ! 2. Ratify the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accountants for 2018; and ! ! ! 3. Non-binding advisory vote to approve the compensation of our Named Executive Officers. NOTE: To transact such other business as may properly come before the meeting and at any adjournments or postponements thereof. Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name by authorized officer. Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting: The Notice and Proxy Statement and Annual Report are available at www.proxyvote.com. E44037-P03452 HUBSPOT, INC. Annual Meeting of Shareholders June 6, 2018 9:00 AM This proxy is solicited by the Board of Directors The shareholder(s) hereby appoint(s) Brian Halligan, J.D. Sherman, and John Kelleher, or any of them, as proxies, each with the power to appoint (his/her) substitute, and hereby authorizes them to represent and to vote, as designated on the reverse side of this ballot, all of the shares of common stock of HUBSPOT, INC. that the shareholder(s) is/are entitled to vote at the Annual Meeting of Shareholders to be held at 9:00 AM, EDT on June 6, 2018, at 2 Canal Park, 1st Floor, Cambridge, MA 02141, and any adjournment or postponement thereof. This proxy, when properly executed, will be voted in the manner directed herein. If no such direction is made, this proxy will be voted in accordance with the Board of Directors' recommendations. Continued and to be signed on reverse side