



Data#3 2022 AGM report

ASX code	DTL
Meeting date	Thursday, 27 October 2022
Type of meeting	Hybrid
Monitor	Paul Donohue
Pre AGM-meeting	With Brem Hill, Chief Financial Officer

Meeting Statistics

Number of holdings represented by ASA	12
Number of shares represented by ASA	314,917
Value of shares represented by ASA	\$2.0m
Total number attending meeting	20 in person and 47 online or telephone.
Market capitalisation	\$1.0b
ASA open proxies voted	On a poll. ASA voted in favour of all the resolutions except for the constitutional change.

The meeting was held at Data#3's "new" office at Toowong on the banks of Brisbane River. Its not actually new, they relocated there in 2020 but the pandemic meant today's AGM was the first major event held there. The layout was a bit awkward with the board squeezed into the corner like the "cousin's table" at a wedding. It was great to see the two founders who started Data#3 in the 1970s in attendance.

It has been a good year for Data#3 even though supply chain issues meant they missed out on \$6m of profit. Revenue, profit, EPS and dividends were all up nicely on the prior year. The outlook for the first half is promising with a forecast pre tax profit in the range of \$21m to \$25m versus \$18.5m for the pcg.

I asked why no board skills matrix is published. They consider it commercial in confidence and all of that information can be obtained by trawling through the NED bios. Not a good start.

Why are there no gender targets for the senior leadership team which is 100% male? The current team has been very effective for ages so why change it. Yikes! The chair pointed to all of the female employees in the room as evidence of gender equity without noticing the irony that none of them can ever expect to join the SLT. One ray of hope is that Brem Hill is retiring soon which may create an opening.

Why is only 42% of CEO rem at risk? The percentage is rising to 47% next FY with a 50% target in the future. Why is 100% of STI paid as cash when most companies have a mix of cash & equity. It's a historical thing and "lots of companies pay 100% cash".

I asked the two NEDs seeking election to comment on workload (Susan) and independence (Mark) and received satisfactory answers. ASA didn't ask any questions on the NED fee pool increase or the grant of rights as these both aligned with our guidelines.

ASA voted against changing the constitution to allow virtual only meetings. Making it clear that although I understood the HQ's flood risk and their affinity with remote meeting technology, any change that potentially reduces shareholder rights is a red line for ASA.

Stephen Mayne participated remotely and asked about a truckload of topics. Not everyone in the room appreciated this display of shareholder activism. By the end, some of the people who groaned at my diversity question were thinking perhaps they had, in comparison, judged me too harshly.

The grant of LTI rights only got 83% support, the constitutional change was rejected at 64%. All other resolutions passed with comfortable margins.

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