

Technology One 2023 AGM report

ASX code	TNE
Meeting date	Wednesday 22 February 2023
Type of meeting	Hybrid
Monitor	Paul Donohue assisted by David Loosemore
Pre AGM-meeting	Yes, with <ul style="list-style-type: none"> ▪ Pat O’Sullivan, Board Chair ▪ Jane Andrews, Non-Executive Director / Chair of the Remuneration Committee. ▪ Paul Jobbins, Chief Financial Officer / Company Secretary. ▪ Stephen Kennedy, Company Secretary.

Meeting Statistics

Number of holdings represented by ASA	80
Number of shares represented by ASA	445,490
Value of shares represented by ASA	\$6.36M
Total number attending meeting	78 in person / 95 online
Market capitalisation	\$4.76B
ASA open proxies voted	On a poll. ASA voted in favour of all but one of the resolutions as mentioned below.

There were two items of note in Pat O’Sullivan’s address to shareholders. Firstly, that Director Ron McLean was retiring after the meeting and secondly, acknowledgement of the 23% vote against the remuneration report.

It will be interesting to see if Ron is replaced or if Technology One takes this opportunity to reduce the size of their Board. Eliminating one director role would get them to the 30% target for female representation.

Pat defended the contentious element of the remuneration report, i.e. the Retention LTIs, saying they were preferable to permanently increasing fixed remuneration or short term incentives.

Edward Chung, the CEO, repeatedly confirmed the company is on track to meet its ambitious target of \$500m annual recurring revenue by FY26. He also noted there is ample room for growth in their target markets. He said the outlook for FY23 is good with a healthy sales pipeline and an expectation of strong growth in revenue and profit.

Ed described their new Solution as a Service (SaaS) offering as a “game changer” that will disrupt the enterprise software market by implementing their enterprise solution under a fixed cost /

fixed date / low risk arrangement. This is expected to result in a significant lift in annual recurring revenue (ARR).

ASA asked some warmup questions about the migration to SaaS, expansion into new geographies, the impact of a slowing UK economy and cybersecurity. The answers were all succinct and raised no concerns.

When it came to the Remuneration Report, we asked two questions about the Retention LTIs. Why did they not have performance hurdles? How can we be sure something similar won't happen in the future?

The Chair responded by explaining the situation the Board found themselves in, the head hunting of key executives, they looked at many different options, it was best practise and that he stood by the decision. All good information but he didn't really answer either question.

Technology One admits their executives are not highly paid compared to their peers and, perhaps, it would be preferable to remedy that situation rather than resorting to "golden handcuffs" in a crisis.

We voted against the resolution, as did some other shareholders, with the final tally being only 76.6% in favour.

We asked Cliff Rosenberg about the workload from his six directorships. He says he has no issues juggling his multiple commitments and that his recent experiences with companies undergoing significant corporate activity (Afterpay and NearMap) are evidence of his ability to respond to spikes in demands on his time. We were satisfied with his answer and voted in favour of his re-election which was passed at 92.8%.

We voted in favour of all the other resolutions which were all well supported by shareholders.

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