



Data#3 2023 AGM report

ASX code	DTL
Meeting date	Tuesday, 31 October 2023
Type of meeting	Hybrid
Monitor	Paul Donohue & Richard Hemphill
Pre AGM-meeting	No, this company was observed rather than monitored so there was no pre-AGM meeting.

Meeting Statistics

Number of holdings represented by ASA	13
Number of shares represented by ASA	355,102
Value of shares represented by ASA	\$2.485 m
Total number attending meeting	Approximately 30 in person. Unknown online.
Market capitalisation	\$1.11 b
ASA open proxies voted	ASA voted in favour of all the resolutions.

The big news at the AGM was that the CEO had resigned with his final day to be 1st March 2024. A succession plan was in place and the new CEO, Brad Colledge, appears to be a suitable replacement. He is currently Data#3's Executive General Manager of software & infrastructure solutions and had previously worked in other key parts of the business.

It seems that Data#3 is entering a period of board and executive renewal with the Chair, CEO and CFO all retiring in a fairly short period.

At least year's AGM the ASA highlighted some governance concerns, and we were pleased to see some positive improvements this year. The company has appointed a female CFO (but still no diversity target for the senior leadership team), published a board skills matrix (although it isn't detailed enough for our liking) and increased the at risk percentage CEO remuneration to 43% (still too low in our view). No doubt, others have called for these improvements so ASA can't take all the credit, but it shows that shareholder advocacy can achieve results.

We had questions prepared for Mark Gray who was seeking re-election and taking over as Data#3's Chair after the AGM. These related to workload as he would now hold two chairman roles, a deputy chair, a director as well as some positions on not for profit boards. I didn't get to ask them as in his re-election pitch he acknowledged the workload and assured shareholders he would divest some of these roles.

ASA voted for all resolutions, and they were passed with comfortable margins. I noted that ASA held proxies representing more than half the open votes cast at the meeting.

After the meeting we chatted with Cherie O’Riordan, the new CEO and found her to be very open and supportive of the ASA. We took the opportunity to ask about the dramatic share price crash and recovery on 22 August. Apparently, this was caused by the actual H1 results deviating from market consensus and misinterpretation of the inventory backlog impact by some observers. This highlights the need be careful in giving and communicating forward estimates and operational issues.

Speaking of which, their supply chain is now back to its pre pandemic normal and the forecast for H1 FY24 pretax profit is between \$27m and \$29m compared to \$24.6m in the prior corresponding period.

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