

## NOTICE OF ANNUAL GENERAL MEETING

14 November 2018

### Data#3 Limited

ABN 31 010 545 267

The Annual General Meeting of Data#3 Limited (“Data#3”, the “company”) will be held at 10:30am (Brisbane time) on Wednesday 14 November 2018 at Data#3’s head office, 67 High Street, Toowong, Brisbane, Queensland for the purpose of transacting the business set out in this notice.

### ORDINARY BUSINESS

#### Item 1: Financial statements and reports

To receive the financial report, directors’ report and independent auditor’s report for Data#3 and its controlled entities for the year ended 30 June 2018.

Note:

*This item of business does not require shareholders to vote on a resolution or to approve these reports.*

#### Item 2: Adoption of the remuneration report (Resolution 1)

To consider and, if thought fit, pass the following resolution in accordance with section 250R(2) of the Corporations Act 2001 (Cth) (“Corporations Act”):

‘To adopt the remuneration report for the year ended 30 June 2018.’

Note:

*This resolution is advisory only and does not bind the company or the directors. The directors will consider the outcome and comments made by shareholders on the remuneration report at the meeting when reviewing the company’s remuneration policies.*

Voting exclusion:

*The company will disregard any vote cast on Resolution 1 by, or on behalf of*

- (a) a member of the key management personnel (“KMP”) as disclosed in the remuneration report; and*
- (b) a closely related party (“CRP”) (such as close family members and any controlled companies) of those persons,*

*unless the vote is cast by a person as a proxy for a person entitled to vote in accordance with a direction on the proxy form, or by the Chairman of the meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.*

#### Item 3: Re-election of Ms Leanne Muller (Resolution 2)

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

‘That Ms Leanne Muller, who retires by rotation and being eligible, be re-elected as a director of the company in accordance with the company’s constitution.’

#### **Item 4: Approval of the Data#3 Limited Employee Share Ownership Plan (Resolution 3)**

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

'That, for the purposes of ASX Listing Rule 7.2 exception 9(b) (as an exception to ASX Listing Rule 7.1), and for all other purposes, approval is hereby given for all securities issued or acquired (as the case may be) under the Data#3 Limited Employee Share Ownership Plan, the terms and conditions of which are set out in the Explanatory Notes.'

Voting exclusion:

*The company will disregard any vote cast in favour of Resolution 3 by, or on behalf of*

- (a) a member of the KMP; and*
- (b) their CRP,*  
*in contravention of section 250BD of the Corporations Act; and*
- (c) in accordance with ASX Listing Rule 14.11, each director of the company, their associates and their CRP, except a director who is not eligible to participate in any employee incentive scheme in relation to the entity.*

*However, the company need not disregard a vote if*

- (a) it is cast by a person as a proxy for a person entitled to vote in accordance with a direction on the proxy form; or*
- (b) by the Chairman of the meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.*

#### **Item 5: Approval of the Data#3 Limited Long Term Incentive Plan (Resolution 4)**

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

'That, for the purposes of ASX Listing Rule 7.2 exception 9(b) (as an exception to ASX Listing Rule 7.1), and for all other purposes, approval is hereby given for all securities issued or acquired (as the case may be) under the Data#3 Limited Long Term Incentive Plan, the terms and conditions of which are set out in the Explanatory Notes.'

Voting exclusion:

*The company will disregard any vote cast in favour of Resolution 4 by, or on behalf of*

- (a) a member of the KMP; and*
- (b) their CRP,*  
*in contravention of section 250BD of the Corporations Act; and*
- (c) in accordance with ASX Listing Rule 14.11, each director of the company, their associates and their CRP, except a director who is not eligible to participate in any employee incentive scheme in relation to the entity.*

*However, the company need not disregard a vote if*

- (a) it is cast by a person as a proxy for a person entitled to vote in accordance with a direction on the proxy form; or*
- (b) by the Chairman of the meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.*

#### **Item 6: Approval to issue Rights to a related party: Mr Laurence Baynham (Resolution 5)**

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

'That, for the purposes of ASX Listing Rule 10.14, and all other purposes, approval is given for the company to grant a maximum of 98,160 'Rights' (as that term is defined in the Explanatory Notes) to Mr Laurence Baynham (or his nominee), who is a director of the company.'

Voting exclusion:

*The company will disregard any vote cast in favour of Resolution 5 by, or on behalf of*

- (a) a member of the KMP; and*
- (b) their CRP,*  
*in contravention of section 250BD of the Corporations Act; and*

- (c) *in accordance with ASX Listing Rule 14.11, each director of the company, their associates and their CRP, except a director who is not eligible to participate in any employee incentive scheme in relation to the entity.*

*However, the company need not disregard a vote if*

- (a) *it is cast by a person as a proxy for a person entitled to vote in accordance with a direction on the proxy form; or*  
(b) *by the Chairman of the meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.*

## **Item 7: Remuneration of directors (Resolution 6)**

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

'That, in accordance with Rule 18.6(a) of the company's constitution and ASX Listing Rule 10.17, the non-executive directors of the company be paid out of the funds of the company, as remuneration for their services as directors, a maximum aggregate sum of \$600,000 per year (being an increase of \$100,000), to be divided among the non-executive directors in such proportion and manner as they agree.'

### Voting exclusion:

*The company will disregard any vote cast in favour of Resolution 6 by, or on behalf of each director of the company, their associates and their CRP, in accordance with ASX Listing Rule 14.11.*

*However, the company need not disregard a vote if*

- (a) *it is cast by a person as a proxy for a person entitled to vote in accordance with a direction on the proxy form; or*  
(b) *by the Chairman of the meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.*

## **By order of the board**

Terence Bonner  
Company Secretary and General Counsel  
27 September 2018

## **DETERMINATION OF ENTITLEMENT TO ATTEND AND VOTE**

The company has determined under regulation 7.11.37 *Corporation Regulations 2001* (Cth) that for the purposes of voting at the meeting or adjourned meeting, shares in the company will be taken to be held by the persons who are registered as shareholders as at 7:00pm (Brisbane time) on Monday 12 November 2018. Transactions registered after that time will be disregarded in determining entitlements to attend and vote.

## **PROXIES**

If you are a shareholder entitled to attend and vote, you may choose to appoint a proxy.

The proxy need not be a shareholder of the company. A shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If not specified each proxy may exercise half of the votes.

If you want to appoint one proxy, please use the form provided. If you want to appoint a second proxy, an additional voting form may be obtained from the Data#3 share registry (refer to the contact details below) or you may copy the voting form.

To be effective, the voting form, together with the original or a certified copy of the power of attorney (if any) under which the voting form is signed, must be received no later than 10.30am (Brisbane time) on Monday 12 November 2018 (48 hours before the commencement of the meeting).

Please refer to the enclosed voting form for completion and lodgement instructions.

## CORPORATE REPRESENTATIVES

A corporation may elect to appoint a representative in accordance with the Corporations Act in which case the company will require written proof of the representative's appointment, which must be lodged with or presented to the company before the meeting.

## ADMISSION TO MEETING

Shareholders who will be attending the meeting, and not appointing a proxy, are asked to bring the voting form to the meeting to facilitate prompt admission.

Shareholders who will not be attending the meeting are encouraged to complete and return the voting form for each of their holdings of Data#3 shares.

If necessary, a replacement voting form may be obtained from the Data#3 share registry (refer to the contact details below).

## QUESTIONS AND COMMENTS BY SHAREHOLDERS AT THE MEETING

In accordance with the Corporations Act, a reasonable opportunity will be given to shareholders to direct questions to the Chairman about, or to make comments on, the management of Data#3 at the meeting.

Similarly, a reasonable opportunity will be given to shareholders to ask Data#3's external auditor, Pitcher Partners, questions relevant to

- a) the conduct of the audit;
- b) the preparation and content of the auditor's report;
- c) the accounting policies adopted by Data#3 in relation to the preparation of its financial statements; and
- d) the independence of the auditor in relation to the conduct of the audit.

Shareholders may also submit a written question to Pitcher Partners if the question is relevant to the content of the audit report or the conduct of its audit of Data#3's financial report for the year ended 30 June 2018. Relevant written questions for Pitcher Partners must be received no later than 5:00pm (Brisbane time) on Friday 9 November 2018. A list of any such questions will be made available to shareholders attending the meeting, and Pitcher Partners will either answer the questions or table written responses at the meeting. If written responses are tabled at the meeting, they will be made available to shareholders as soon as practicable after the meeting.

Please send any written questions for Pitcher Partners:

- to Data#3's share registry - refer to the contact details below; or
- to Data#3 - by fax: 1300 32 82 32, or by email: [info@data3.com.au](mailto:info@data3.com.au) by no later than 5:00pm (Brisbane time) on Friday 9 November 2018.

## CONTACT DETAILS FOR SHARE REGISTRY

Link Market Services Limited  
Locked Bag A14  
SYDNEY SOUTH NSW 1235

Telephone: +61 1300 554 474  
Fax: +61 2 9287 0309  
Email: [registrars@linkmarketservices.com.au](mailto:registrars@linkmarketservices.com.au)

## EXPLANATORY NOTES

### Item 1: Financial statements and reports

The Corporations Act requires the company to lay before the Annual General Meeting the financial report, directors' report and the independent auditor's report for the previous financial year. Copies of these reports have been sent to shareholders and are available on the company's website – [www.data3.com.au](http://www.data3.com.au)

No resolution is required for this item, but shareholders will be provided with a reasonable opportunity to ask questions or make comments in relation to these reports. The company's auditor will also be present at the meeting and shareholders will be given the opportunity to ask the auditor questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by the company and the independence of the auditor.

### Item 2: Adoption of remuneration report (Resolution 1)

A resolution for the adoption of the remuneration report is required to be considered and voted on in accordance with the Corporations Act. The remuneration report is set out on pages 21 to 24 of the company's 2018 annual report and identifies Data#3's key management personnel. They include all directors of the company and those other persons having authority and responsibility for planning, directing and controlling the activities of Data#3, directly or indirectly.

This remuneration report

- explains the principles used to determine the nature and amount of remuneration paid to key management personnel of Data#3;
- explains the link between the remuneration of key management personnel and Data#3's performance;
- provides details of the actual remuneration elements paid to key management personnel;
- provides a summary of the terms of employment of the Chief Executive Officer and Managing Director, and other key management personnel.

A reasonable opportunity will be provided for discussion of the remuneration report at the meeting. The resolution is advisory only and does not bind the company or the directors. The directors will consider the outcome of the vote and comments on the remuneration report made by shareholders at the meeting when reviewing the company's remuneration policies.

If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on this item.

As a result of recent amendments to the Corporations Act, the Chairman of the meeting is entitled to vote undirected proxies on this resolution that is connected with the remuneration of the company's key management personnel. If you appoint the Chairman as your proxy and wish to support this resolution, please mark an 'X' in the box at Step 1 on the voting form.

Any undirected proxies held by other key management personnel or any of their closely related parties will not be voted on this item.

#### Directors' recommendation

As Resolution 1 relates to matters including the remuneration of the directors, the directors make no recommendation regarding Resolution 1 in the interests of good corporate governance and in accordance with the spirit of section 250R(4) of the Corporations Act.

### Item 3: Re-election of Ms Leanne Muller (Resolution 2)

Leanne Muller has served as a non-executive director of Data#3 Limited since 2016. Leanne is required to retire by rotation at the 2018 Annual General Meeting, and being eligible, stands for re-election in accordance with the company's constitution.

Information regarding Leanne Muller's qualifications, experience, and responsibilities is summarised below:

***L M Muller, BCom, CA, GradDip App Fin and Inv, GAICD (non-executive director)***

Leanne has extensive experience in finance with a 30-year career in senior corporate financial management roles and professional advisory services roles. Formerly Chief Financial Officer (or equivalent) for RACQ, Uniting Care Queensland and Energex. Prior to those appointments Leanne worked for PricewaterhouseCoopers and with the Australian Securities Commission. Leanne is currently on the boards of Sugar Terminals Limited, QInsure Limited, Guide Dogs Queensland, LGE Holdings Pty Ltd, LGE Operations Pty Ltd and Local Buy Pty Ltd, trading as Peak Services.

Leanne's special responsibilities include Chair of Data#3's audit and risk committee.

Directors' recommendation

The directors, with Leanne Muller abstaining, recommend that shareholders vote in favour of Resolution 2, and the Chairman of the meeting intends to vote undirected proxies in favour of this resolution.

**Item 4: Approval of the Data#3 Limited Employee Share Ownership Plan (Resolution 3)**

Resolution 3 seeks shareholder approval for the introduction of the new Data#3 Limited Employee Share Ownership Plan ("**ESOP**") for the issue of future securities as an exception to ASX Listing Rule 7.1 and 7.1A.

ASX Listing Rule 7.1 prohibits the company from issuing securities that, in aggregate, exceed 15% of the fully paid ordinary share capital of the company in any 12-month period. ASX Listing Rule 7.2 exception 9(b) provides that ASX Listing Rule 7.1 does not apply to the issue of securities by the company under an employee incentive scheme where shareholders approve the grant of securities as an exception to ASX Listing Rule 7.1, and the approval is refreshed every three years.

The ESOP replaces the outdated equivalent plan that was approved in 2007. The board wishes to establish and operate the ESOP, which aims to

- (a) align the interests of participants and shareholders by encouraging participants to have a personal interest in the future growth and development of the company;
- (b) provide eligible employees with a medium and long-term incentive plan which recognises ongoing contributions to the achievement by the company of medium and long term strategic goals;
- (c) assist in making remuneration packages consistent with market practice by providing an opportunity to invest in the company;
- (d) provide a means of attracting and retaining skilled and experienced employees; and
- (e) support a culture of employee share ownership.

Summary of ESOP rules

The rules of the ESOP will be available on the company's website prior to the meeting, and can be obtained on request from the company. Capitalised terms not otherwise defined in these explanatory notes will have the meaning given to them in the rules of the ESOP.

Securities	Under the ESOP, the company may offer fully paid ordinary shares in the company (" <b>Shares</b> ") to eligible employees with no risk of forfeiture.
Pricing	The ESOP rules allow flexibility to adjust the price paid by eligible employees (if any is determined by the board in its discretion) as well as the use of a matching facility (i.e. if they purchase one share, they receive one share).
Eligibility	The ESOP will be open to eligible employees of the company who the board determines in its absolute discretion are eligible to be issued a Share.
Performance Metrics	Any performance metrics associated with an offer of Shares will be determined by the board in its discretion.
Taxation	The ESOP has been designed so the eligible employees can benefit from the exemption conditions of the relevant taxation legislation. It is likely that eligible employees will be issued Shares in the company with a total value of up to \$1,000 at no cost to the employee.
Vesting timeframe	Shares vest immediately however are subject to sale restrictions of at least three years (or until cessation of employment).

## ASX Listing Rule requirements

Under Exception 9(b) of ASX Listing Rule 7.2, an issue of securities under an employee incentive scheme is an exception to Listing Rule 7.1 (which contains the restrictions relating to issues exceeding 15% of the issued capital of a listed company in the 12 months before the date of issue) if, within three years before the date of the issue, shareholders have approved the issue of shares as an exception to Listing Rule 7.1. If this resolution is approved, Awards may be granted by the company in accordance with the approval up until the date that is three years after the date of this Annual General Meeting and details of any Awards granted under the ESOP will be published in the company's annual report for the year in which they are granted.

## Directors' recommendation

The directors abstain from making a recommendation in relation to Resolution 3, in the interests of good corporate governance.

## **Item 5: Approval of the Data#3 Limited Long Term Incentive Plan (Resolution 4)**

Resolution 4 seeks shareholder approval for the potential issue of future securities under a new Data#3 Limited Long Term Incentive Plan ("**LTIP**") implemented by the company, as an exception to ASX Listing Rule 7.1 and 7.1A.

ASX Listing Rule 7.1 prohibits the company from issuing securities that, in aggregate, exceed 15% of the fully paid ordinary share capital of the company in any 12-month period. ASX Listing Rule 7.2 exception 9(b) provides that ASX Listing Rule 7.1 does not apply to the issue of securities by the company under an employee incentive scheme where shareholders approve the grant of securities under the scheme as an exception to ASX Listing Rule 7.1, and the approval is refreshed every three years.

This resolution proposes that shareholders consider and approve the LTIP in accordance with Listing Rule 7.2 exception 9(b), which will enable securities issued under the LTIP in the course of the next three years to be excluded from the company's 15% limit for the purposes of Listing Rule 7.1.

Note that even if approved as an exception under ASX Listing Rule 7.2, any issue of securities under the LTIP is still governed by the limitations set out in the terms of the LTIP (summarised below).

The LTIP replaces the outdated Data#3 Limited Deferred Share and Incentive Plan that was approved in 2007. The LTIP has been designed to align the interests of eligible employees with the interests of shareholders of the company by enabling directors and employees to have involvement with, and share in the future and growth of, the company and to assist the company to attract, reward and retain high quality staff.

The board has the discretion to make grants to eligible employees under the LTIP and has the flexibility under the LTIP rules to grant either performance rights ("**Rights**") or options ("**Options**") to participants. No issues of Rights or Options to a director can be made under the LTIP without separate shareholder approval under the ASX Listing Rules.

## Summary of the LTIP rules

The rules of the LTIP will be available on the company's website prior to the meeting, and can be obtained on request from the company. Capitalised terms not otherwise defined in these explanatory notes will have the meaning given to them in the rules of the LTIP.

The terms of the LTIP are summarised as follows in accordance with ASX Listing Rule 7.2 exception 9(b).

Securities	Under the LTIP, the company may offer or issue Rights or Options (" <b>Awards</b> ") to eligible participants. Rights are a right to be issued or transferred a fully paid ordinary share in the company (" <b>Share</b> ") for nil exercise price upon satisfaction of specified vesting conditions. Options are a right to be issued or transferred a Share upon payment of an exercise price and which can only be exercised if specific vesting conditions are achieved.
------------	--

Eligibility	The LTIP will be open to eligible employees, non-executive directors and consultants of the company who the board determines in its absolute discretion are eligible to be issued an Award (" <b>Participants</b> ").
Grant of Awards	The board has discretion to determine the issue price and/or exercise price for the Awards under the LTIP.  The offer must be in writing and specify, amongst other things, the type of Award that may be applied for, the number of Awards being issued, the exercise period, any conditions to be satisfied before the Awards may be exercised or vested and the exercise price of the Awards (if any). The Awards may also be subject to specific terms established by the board. No consideration is payable by an Eligible Person for an issue of Options or grant of Rights, unless the board decides otherwise.
Vesting of Awards	Options and Rights will vest and become exercisable to the extent that the applicable performance, service, or other vesting conditions specified at the time of the grant are satisfied (collectively, the " <b>Relevant Vesting Conditions</b> "). Typically, the Relevant Vesting Conditions must be satisfied within a predetermined vesting period. Both the Relevant Vesting Conditions and the vesting period are set by the board in its discretion, and may be waived by the board in its discretion.
Exercise of Vested Options	Vested Options may be exercised, subject to any exercise conditions or specific terms established by the board or set out in the LTIP, by the participant giving a signed notice to the company and paying the exercise price in full. Where necessary, the company will apply for official quotation of any Shares issued on exercise of any Options subject to the rules of the LTIP.
Vesting of Rights	Rights will, subject to any specific terms established by the board, automatically vest upon satisfaction of the specified vesting conditions such that the corresponding number of Shares will be delivered for the benefit of the Participant. Where necessary, the Company will apply for official quotation of any Shares issued on vesting of the Rights subject to the rules of the LTIP.
Lapse	The Awards shall lapse in accordance with specific offer terms or events contained in the LTIP rules, including but not limited to the board's determination that a Participant has committed an act which brings the company into disrepute or is in breach of their obligations to the company, or in the case of Vested Options where such options have not been exercised by the stated exercise expiry date.
Right of Participants	Once Shares are allotted or transferred to the benefit of a Participant upon exercise or vesting of the Awards (as applicable) the Participants will hold the Shares free of restrictions, unless the board determines otherwise. The Shares will rank for dividends declared on or after the date of issue but will carry no right to receive any dividend before the date of issue. Should the company undergo any reorganisation of capital, the number of Awards may be adjusted in accordance with the Listing Rules and the determination of the board as applicable to the Awards at the time of reorganisation.  In the event of a change of control, and subject to the Listing Rules and any applicable laws, the board may determine that (a) a Participant's 'not vested' Awards will vest notwithstanding some or all of the vesting conditions have not been satisfied; (b) a Participant's 'not vested' Awards will lapse; or (c) a Participant's 'vested' or 'not vested' Awards are dealt with in a manner otherwise determined by the board.  The Awards (prior to Shares being allotted or transferred) do not confer any rights on the Participant either as a member or as creditor of the company, are unlisted and are unsecured.
Assignment	The Awards are not transferable or assignable without the prior written approval of the board and must not be sold, assigned or otherwise disposed of or encumbered by Participants except in accordance with the rules of the LTIP and all applicable laws. The company may at its discretion determine that disposal or other restrictions apply to some or all Awards and/or Shares issued on exercise or vesting of an Award and may determine the terms and conditions of such restrictions.
Administration	The LTIP will be administered by the board which has an absolute discretion to determine appropriate procedures for its administration and, subject to the Listing Rules and applicable laws, all decisions of the board as to the interpretation, effect or application of the plan rules and all calculations and determinations made by the board under the plan rules are final, conclusive and binding in the absence of manifest error.



Issue or acquisition of shares	The company may, in its discretion, issue new Shares or cause existing Shares to be acquired or transferred to the Participant, or a combination of both alternatives, to satisfy the company's obligations under the LTIP. If the company determines to cause the transfer of Shares, the Shares may be acquired in such manner as the company considers appropriate, including from a trustee appointed under the LTIP.
Trustee, withdrawal process and rights when Shares held by Trustee on behalf of Participant	The board may elect to use on such terms and conditions as determined by the board in its absolute discretion an employee share trust for the purposes of subscribing for, acquiring and holding Shares issued in accordance with the LTIP (or another plan or scheme implemented by the company from time to time) for the benefit of Participants and participants in other employee plans or schemes established from time to time. The board may do all things necessary for the establishment, administration, operation and funding of an employee share trust.
Termination and amendment	<p>The LTIP may be terminated or suspended at any time by the board, or if an order is made or an effective resolution is passed for the winding up of the company other than for the purpose of amalgamation or reconstruction.</p> <p>The LTIP may be amended at any time by the board provided that any amendment does not materially alter the rights of any participant in respect of the issue of Awards under the plan prior to the date of the amendment unless</p> <ul style="list-style-type: none"> <li>(a) the amendment is introduced primarily for the purposes of complying with or conforming to present or future applicable legislation;</li> <li>(b) to correct any manifest error or mistake; or</li> <li>(c) to enable the plan of company to comply with any applicable laws or any required policy.</li> </ul>
Limits on Grant	<p>If, when making an offer of Awards under the LTIP, the company does so in reliance on ASIC Class Order [CO 14/1000], it must, at the time of making the offer, have reasonable grounds to believe that the number of Shares that have been, or may be, issued in any of the circumstances covered by the following paragraphs will not exceed 5% of the total number of Shares at the time of making an offer:</p> <ul style="list-style-type: none"> <li>(a) Shares that may be issued under the offer or any other offer to be made under the LTIP (to the extent offered in reliance on ASIC Class Order [CO 14/1000]);</li> <li>(b) Shares issued or that may be issued as a result of offers made at any time during the previous three year period under: <ul style="list-style-type: none"> <li>a. the LTIP or any other employee incentive scheme in reliance on ASIC Class Order [CO 14/1000] or its predecessors; or</li> <li>b. an ASIC exempt arrangement of a similar kind to an employee incentive scheme; and</li> </ul> </li> <li>(c) the number of Shares which are the subject of the offer of Awards.</li> </ul> <p>Offers of Awards issued other than in reliance on ASIC Class Order [CO 14/1000] or its predecessors (such as offers received outside of Australia or under an exception in section 708 of the Corporations Act) will not be included in calculating the 5% limit.</p>

#### ASX Listing Rule requirements

Under Exception 9(b) of ASX Listing Rule 7.2, an issue of securities under an employee incentive scheme is an exception to Listing Rule 7.1 (which contains the restrictions relating to issues exceeding 15% of the issued capital of a listed company in the 12 months before the date of issue) if, within three years before the date of the issue, shareholders have approved the issue of shares as an exception to Listing Rule 7.1. If this resolution is approved, Awards may be granted by the company in accordance with the approval up until the date that is three years after the date of this Annual General Meeting and details of any Awards granted under the LTIP will be published in the company's annual report for the year in which they are granted.

#### Directors' recommendation

The directors abstain from making a recommendation in relation to Resolution 4, in the interests of good corporate governance.

## Item 6: Approval to Issue of Rights to a related party: Mr Laurence Baynham (Resolution 5)

Laurence Baynham is Managing Director and Chief Executive Officer of the company, and a related party of the company by virtue of him being a director. Prior shareholder approval is therefore required for the issue of Rights to him or his related entities. Accordingly, the company seeks shareholder approval for the purposes of ASX Listing Rule 10.14 and for all other purposes to grant a maximum of 98,160 Rights (and any Shares issued on vesting of those Rights) to Laurence Baynham (or his nominee).

Subject to shareholder approval, the Rights will be issued under and subject to the terms of the company's LTIP described above and put forward for approval in Resolution 4 and otherwise on the terms set out below.

The board has decided to grant these Rights as part of Laurence Baynham's remuneration package, and in recognition of his contribution to the company. The board considers the grant of Rights to be a cost effective long-term incentive method, which further aligns the interests of the Managing Director and Chief Executive Officer with shareholders by linking long-term incentives to growth in the company's earnings per share.

Once approval is obtained pursuant to ASX Listing Rule 10.14, the company is entitled to rely on ASX Listing Rule 10.12 (exception 4) as an exception to any requirement that may otherwise apply requiring shareholder approval under ASX Listing Rule 10.11. Similarly, approval will not be required under Listing Rule 7.1.

### Key terms of the Rights

The Rights will be subject to the following key terms and conditions:

- each Right is a right for Laurence Baynham (or his nominee) to be issued one Share upon satisfaction of the following vesting conditions ("**Relevant Vesting Conditions**"):
  - Laurence Baynham remains an employee of the company on the date the Relevant Vesting Conditions are satisfied;
  - the Rights will vest on a straight-line proportional basis, from 0 up to a maximum of 98,160 Shares based on the actual cumulative earnings per share over a 3 year period ending on 30 June 2021 (**Vesting Period**) compared to a target as determined by the board;
- notwithstanding the specific vesting conditions outlined above, in accordance with the LTIP rules the board may, in its absolute discretion, waive or alter the Relevant Vesting Conditions;
- prior to vesting the Rights will not be transferrable other than with the written consent of the board;
- prior to vesting the Rights do not carry any dividend or voting rights; and
- the Rights will automatically vest (subject to another determination by the board) such that the corresponding number of Shares will be delivered for the benefit of Laurence Baynham upon satisfaction of the Relevant Vesting Conditions.

In accordance with the requirements under ASX Listing Rules 10.15

- (a) Laurence Baynham is a director;
- (b) the number of Rights that may be acquired by Laurence Baynham in accordance with this resolution is 98,160 calculated based on a volume weighted average price of the Shares for the 5 day trading period commencing on the day after the 22 August 2018 announcement to the ASX of the company's results for the year ended 30 June 2018, being \$1.63 per Share;
- (c) the Rights will be granted for nil consideration on the basis their grant represents an incentive for future performance, and will be subject to the Relevant Vesting Conditions. The Rights have a nil exercise price.
- (d) no other participants have yet been granted any Rights or Options under the LTIP as at the date of this notice of meeting;
- (e) whilst participating in the LTIP is open to all executive and non-executive directors, the board has determined that Laurence Baynham, as the company's current executive director, is the only director eligible to participate in the LTIP at this time;
- (f) subject to shareholder approval, it is intended that the Rights will be issued within five days after the annual general meeting, but in any event will be issued no later than twelve months after the meeting in accordance with ASX Listing Rule 10.15.7; and
- (g) there are no loan arrangements with Laurence Baynham in relation to the acquisition of the Rights.

### Other general terms of the Rights

The other general terms of the Rights are:

- should the company undergo any reconstruction of capital, the number of Rights may be adjusted in the board's discretion in accordance with the ASX Listing Rules and other laws as applicable at the time of the reorganisation;
- all Shares issued pursuant to vesting of the Rights will, subject to the constitution of the company, rank equally in all respects (other than in respect of dividends, rights issues or bonus issues declared prior to allotment) with the existing Shares at the date of issue and allotment;
- the Rights do not entitle the holder to participate in any new issues by the company without having vested into Shares; and
- the Rights will not be quoted on the ASX.

#### Corporations Act

Under Chapter 2E of the Corporations Act a public company cannot give a financial benefit to a related party unless an exception applies or shareholders have, in a general meeting, approved the giving of that financial benefit.

Laurence Baynham is a related party of the company due to the fact that he is a director. The issue of the Rights will constitute the giving of a financial benefit to a related party for the purposes of section 229(3)(e) of the Corporations Act.

The board of the company (excluding Laurence Baynham) considers that the issue of the Rights to Laurence Baynham constitutes reasonable remuneration within the meaning of the exception in section 211 (1) of the Corporations Act on the basis that the Rights are a necessary part of the incentive and remuneration package for Laurence Baynham in his current role and having regard to the circumstances of the company, the duties and responsibilities of Laurence Baynham and market levels of remuneration for people in his position in similar sized companies.

#### Existing interests and the dilutionary effect on other shareholders' interests

The effect that the grant and vesting of the Rights will have on the interest of Laurence Baynham relative to other shareholders' interests is set out in the following table:

<b>Details as at the date of this Notice of Meeting</b>	<b>Number</b>
The total number of Shares on issue in the capital of the company	153,974,950
Shares currently held by director (including indirect interests)	491,095
% of Shares currently held by director (including indirect interests)	0.32%
Rights to be issued under Resolution 5 to director (or his nominee) following the Annual General Meeting	Maximum of 98,160
The total number of Shares on issue in the capital of the company following the vesting of all Rights held by director (assuming no other Rights or Options were exercised and no other Shares or other equity securities are issued)	Maximum of 154,073,110
Shares that will be held following the vesting of all Rights held by director (assuming no other Rights or Options or Shares are held by, exercised or vested by Laurence Baynham (including indirect interests)	Maximum of 589,255
% of Shares that would be held by director following the vesting of all Rights assuming no other Awards held by other parties were exercised or vested (as applicable) (and assuming no other Rights or Options or Shares are held by, exercised or vested by Director (including indirect interests)	Maximum of 0.38%

#### Directors' recommendation

The directors abstain from making a recommendation in relation to Resolution 5, in the interests of good corporate governance.

## **Item 7: Remuneration of directors (Resolution 6)**

Under Rule 18.6(a) of the company's constitution, the company must not increase the total amount of non-executive directors' remuneration payable by it without the members' approval by ordinary resolution at a general meeting. In accordance with the company's constitution and ASX Listing Rule 10.17, shareholders of the company are being asked to approve a \$100,000 increase in the maximum aggregate amount that may be paid as non-executive directors' fees, to a maximum of \$600,000 per annum. This amount may be divided among the non-executive directors in such proportion and manner as the board agrees.

The current aggregate amount of \$500,000 was approved at the annual general meeting in 2011. The board is of the view that the proposed increase is in line with market remuneration paid to non-executive directors at similar ASX listed companies (in particular, in terms of growth, sector and market capitalisation) and is necessary to attract and retain suitably qualified non-executive directors to facilitate the ongoing program of board succession.

The board currently consists of one executive director, a non-executive Chairman, and three non-executive directors. The proposed change will also accommodate an increase in the number of non-executive directors that the board feels may be necessary and appropriate in light of the expanded scope and complexity of the company's business.


The board considers that it is appropriate to apply the amendment of the non-executive directors' fee limit in respect of each financial year of the company commencing on or after 1 July 2019.

### Directors' recommendation

The directors abstain from making a recommendation in relation to Resolution 6, in the interests of good corporate governance.


## LODGE YOUR VOTE

 **ONLINE**  
www.linkmarketservices.com.au

 **BY MAIL**  
Data#3 Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia

 **BY FAX**  
+61 2 9287 0309

 **BY HAND**  
Link Market Services Limited  
1A Homebush Bay Drive, Rhodes NSW 2138

 **ALL ENQUIRIES TO**  
Telephone: +61 1300 554 474



X99999999999

## PROXY FORM

I/We being a shareholder(s) of Data#3 Limited and entitled to attend and vote hereby appoint:

### APPOINT A PROXY

the Chairman of the Meeting (mark box)

**OR** if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **10:30am (Brisbane time) on Wednesday, 14 November 2018 at Data#3's head office, 67 High Street, Toowong, Brisbane, Queensland (the Meeting)** and at any postponement or adjournment of the Meeting.

**Important for Resolutions 1, 3, 4, 5 and 6:** If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 1, 3, 4, 5 and 6 even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

**The Chairman of the Meeting intends to vote undirected proxies in favour of each resolution.**

### VOTING DIRECTIONS

**Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.**

**Please read the voting instructions overleaf before marking any boxes with an**

#### Resolutions

Resolutions	For	Against	Abstain*	For	Against	Abstain*	
1 Adoption of remuneration report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Approval to issue Rights to a related party: Mr Laurence Baynham	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Ms Leanne Muller	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6 Remuneration of directors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval of the Data#3 Limited Employee Share Ownership Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
4 Approval of the Data#3 Limited Long Term Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				



\* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

### SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).



## HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

### YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

### APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

### DEFAULT TO CHAIRMAN OF THE MEETING

If you leave this section blank, or your named proxy does not attend the Meeting, the Chairman of the Meeting will be your proxy. If your named proxy attends the Meeting but does not vote on a poll on a resolution in accordance with your directions, the Chairman of the Meeting will become your proxy in respect of that resolution. A proxy need not be a shareholder of the Company.

### PROXY VOTING BY THE CHAIRMAN OF THE MEETING

On a poll, the Chairman of the Meeting will vote directed proxies as directed and may vote undirected proxies as the Chairman of the Meeting sees fit. If the Chairman of the Meeting is your proxy or becomes your proxy by default, and you do not provide voting directions, then by submitting the Proxy Form you are expressly authorising the Chairman of the Meeting to exercise your proxy on resolutions that are connected directly or indirectly with the remuneration of KMP

### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, either shareholder may sign.

**Power of Attorney:** to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

### LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:30am (Brisbane time) on Monday, 12 November 2018**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



#### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



#### BY MAIL

Data\*3 Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Australia



#### BY FAX

+61 2 9287 0309



#### BY HAND

delivering it to Link Market Services Limited\*  
1A Homebush Bay Drive  
Rhodes NSW 2138

\* During business hours (Monday to Friday, 9:00am–5:00pm)



### COMMUNICATIONS PREFERENCE

We encourage you to receive all your shareholder communication via email. This communication method allows us to keep you informed without delay, is environmentally friendly and reduces print and mail costs.



#### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Communications' and click the first button to receive all communications electronically and enter your email address. To use the online facility, securityholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.  
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**