

NOTICE OF ANNUAL GENERAL MEETING

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 Friday 21 November 2014 in the Data#3 head office at 67 High Street, Toowong, Brisbane, Queensland.

ORDINARY BUSINESS

Item 1: Financial statements and reports

To receive and consider the financial report, directors’ report and independent auditor’s report for the year ended 30 June 2014.

Note:

This item of business does not require shareholders to vote on a resolution or to approve the financial report.

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 2014’.

Note:

This resolution is advisory only and does not bind the company or the directors.

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 as disclosed in the remuneration report; and*
- (b) a closely related party (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 Mr I J Johnston (Resolution 2)

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

‘That Mr Ian Johnston, who retires by rotation in accordance with Rule 5.1 of the company’s constitution, and being eligible, be re-elected as a director of the company’.

SPECIAL BUSINESS

Item 4: Adoption of new constitution (Resolution 3)

To consider and, if thought fit, pass the following resolution as a special resolution:

‘That, for the purposes of section 136(2) of the *Corporations Act* and for all other purposes, the existing constitution of the company be repealed and replaced with the new constitution in the form of the document entitled “Constitution of Data#3 Limited” tabled at the Annual General Meeting and signed by the Chairman for the purposes of identification, with effect from the close of the Annual General Meeting’.

By order of the board



Bremner Hill
Company Secretary

29 September 2014

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 Wednesday 19 November 2014. 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 Wednesday 19 November 2014 (48 hours before the commencement of the meeting).

Please refer to the enclosed voting form for completion and lodgment 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 ask questions about or 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 2014. Relevant written questions for Pitcher Partners must be received no later than 5:00pm (Brisbane time) on Friday 14 November 2014. 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 by no later than 5:00pm (Brisbane time) on Friday 14 November 2014.

CONTACT DETAILS FOR SHARE REGISTRY

Link Market Services Limited
Locked Bag A14
SYDNEY SOUTH NSW 1235

Telephone: (02) 8280 7454
Fax: (02) 9287 0303
Email: 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

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 27 to 31 of the company's 2014 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.

EXPLANATORY NOTES (CONTINUED)

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 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 which 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.

As Resolution 1 relates to matters including the remuneration of the directors, the board, as a matter of corporate governance and in accordance with the spirit of section 250R(4) of the Corporations Act, makes no recommendation regarding Resolution 1.

Item 3: Re-election of Mr I J Johnston (Resolution 2)

Ian Johnston has served as a non-executive director of Data^{#3} Limited since 2007. Ian is required to retire by rotation at the 2014 Annual General Meeting, and being eligible, stands for re-election in accordance with the company's constitution.

Information regarding Ian's qualifications, experience, and responsibilities is contained in the company's 2014 annual report on pages 13 and 26.

The directors (excluding Ian Johnston) unanimously 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: Adoption of new constitution (Resolution 3)

Background

The company proposes to put to shareholders a resolution to repeal and replace the company's existing constitution with the proposed new constitution ("**Replacement Constitution**").

The existing constitution was adopted in 1999. Since that time, there have been a number of amendments to the legislation governing corporations such as the Corporations Act and the ASX Listing Rules (**Listing Rules**). The Replacement Constitution reflects amendments to the Corporations Act and Listing Rules since the existing constitution was adopted, as well as reflecting technological changes and the current practices of the company.

The proposed Replacement Constitution is available for viewing on the company's website, www.data3.com.au or you can contact the Company Secretary for a copy. A copy of the Replacement Constitution, signed by the Chairman for the purposes of identification, will be tabled at the Annual General Meeting.

Under the Corporations Act, a company may elect to either amend parts of its constitution or replace the entire document. As there have been a number of changes to the Corporations Act and Listing Rules since the adoption of the existing constitution, the directors consider that it is preferable in the circumstances to repeal the existing document and replace it with the Replacement Constitution rather than to amend and insert specific updates. If this

EXPLANATORY NOTES (CONTINUED)

Resolution 3 is passed, the existing constitution will be repealed in its entirety and replaced with the Replacement Constitution.

The Replacement Constitution has been approved by the ASX and contains a number of changes to the company's current constitution, many of which are administrative or relatively minor in nature. A brief overview of the material differences between the current constitution and the Replacement Constitution is set out in the table below. This overview is not exhaustive and does not identify all of the differences between the existing constitution and the Replacement Constitution. There have been no fundamental changes to shareholders' rights, such as the right to vote at a general meeting or to participate in dividends.

Shareholders will have an opportunity to ask questions about the Replacement Constitution at the Annual General Meeting or by contacting the Company Secretary in advance of the Annual General Meeting.

Overview of material differences

The following table sets out the main differences between the existing constitution and the proposed Replacement Constitution.

Subject	Summary of difference	Old rule	New rule
Direct voting	The Replacement Constitution gives the board the power to permit members to vote 'directly' on resolutions determined by poll at a general meeting. This is an alternative to members having to appoint proxies or representatives to vote on their behalf as permitted by the existing constitution. The provisions do not require direct voting at all general meetings but allow the directors to implement direct voting for any particular meeting in their discretion.	N/A	17
Dividends	The Replacement Constitution includes a number of changes to broaden the methods by which the company may pay dividends to shareholders. Most of these changes have been made to reflect recent amendments to the Corporations Act which mean companies are no longer restricted to paying dividends out of profits. Given that there may be future amendments to the Corporations Act regulating when a company may pay a dividend, the wording in the Replacement Constitution gives the board flexibility to determine that the company pay a dividend provided that such determination complies with the Corporations Act. The Replacement Constitution clarifies the directors' powers to pay any interim and final dividends that, in their judgment, the financial position of the company justifies, rescind a decision to pay a dividend prior to the payment date and pay any dividend required to be paid under the terms of issue of a share. The Replacement Constitution also expands the rule in the existing constitution that the directors have the ability to resolve that a dividend will be paid by the transfer of specific assets, including paid up shares in another body corporate. Where the company pays a dividend by a transfer of shares in another corporation, the Replacement Constitution says that shareholders will be taken to have agreed to become members of that corporation.	121, 130	24
Preference share rights	The existing constitution empowers the company to issue preference shares but does not include details of the rights that attach to those preference shares. The Replacement Constitution sets out the specific rights attaching to any preference shares that may be issued by the company, stating that they will confer on the holder rights including: (a) priority for payment of dividends in relation to other share classes; (b) participation in distribution of surplus assets and profits; (c) priority for payment of capital and dividends in relation to other share classes in a winding up and on redemption; (d) voting (limited voting rights compared to ordinary shares); and (e) redemption (the specific terms of which will be set out in the terms of issue to give the company flexibility). The company notes that it does not currently have any preference shares on issue.	109.2	2.2

EXPLANATORY NOTES (CONTINUED)

Subject	Summary of difference	Old rule	New rule
Class rights	The existing constitution changes the quorum and poll requirements for separate class meetings from those applicable to general meetings, by making the quorum for a meeting of a class of shareholders two members holding or representing at least 25% of the shares in the class. These requirements have not been retained in the Replacement Constitution. This means that the quorum requirements applying to a class meeting will be the same as a general meeting (being 3 or more members present and entitled to vote). The Replacement Constitution also states that the rights of holders of a class of shares will not be varied by the creation or issue of further shares ranking equally with them.	105.4	15.16 2.4(b)
Sale, reissue or other disposal of shares by the company	The Replacement Constitution allows the company to invest or use the proceeds from the sale of shares that have not been claimed for the benefit of the company. This is intended to remove uncertainty about the treatment of unclaimed monies.	N/A	9(j)
Employee share plans	The Replacement Constitution provides that the directors may establish an employee share plan (in contrast to the existing constitution, which requires a plan to be approved by special resolution) and allows directors and employees and directors of the company's related bodies corporate to be covered by a plan. It also allows the company to issue securities other than shares to employees and/or directors under the plan.	133.2	11.1(a)(iii)
Proportional takeover bids	The existing constitution's proportional takeover provisions have lapsed in accordance with section 648G of the Corporations Act. The board has determined that the proportional takeover provisions will not be refreshed and so they have not been included in the Replacement Constitution.	160	N/A
Conduct of meetings	The Replacement Constitution contains prohibitions on transacting business in a general meeting that is not included in the notice of meeting, or on moving an amendment to a proposed resolution which has its terms set out in the notice of meeting. The existing constitution does not contain these two prohibitions.	N/A	15.3
	The Replacement Constitution deems a person's attendance at a general meeting to be a waiver of any objection that person may have to a failure to give notice, or the giving of a defective notice, of the meeting unless the person objects at the beginning of the meeting (the existing constitution does not provide for such a waiver).	N/A	15.4(b)
	The scope within which the chairman of a general meeting may refuse admission of a person to the meeting, or require a person to leave a meeting, is extended under the Replacement Constitution to include situations where a person behaves or threatens to behave in a dangerous, offensive or disruptive way, or where a person is not entitled to receive notice of the meeting.	81.7	15.5
	The Replacement Constitution confers an additional power on the chairman to terminate discussion or debate on any matter whenever the chairman considers it necessary or desirable for the proper conduct of the meeting. The Replacement Constitution also specifies that the chairman has the power to postpone and adjourn a meeting, the situations in which the chairman has this power, and the time and place that the meeting can be postponed to.	81.6, 81.5	15.10(c), 15.11
Proxy voting powers	The Replacement Constitution confers additional authority to a proxy, attorney or representative of a shareholder to vote on any amendment moved to a proposed resolution and on any motion that the proposed resolution not be put or any similar motion, to vote on any procedural motion, and to act generally at the meeting.	N/A	16.1(e) - (f)

EXPLANATORY NOTES (CONTINUED)

Subject	Summary of difference	Old rule	New rule
Proxy voting notice	The Replacement Constitution requires proxy appointment documents to be received by the company at least 48 hours before a general meeting consistent with market and the company's practice (the existing constitution had a notice period of 24 hours). A change from 24 to 48 hours has also been made for those wishing to demonstrate a right to vote at a meeting because of shares they are entitled to under the transmission rules (e.g. on death, bankruptcy).	88.1, 102.1	16.1(h)(i), 15.14(c)
Directors	The existing constitution contains an out-of-date provision which requires one third of directors to retire each year. The Replacement Constitution, consistent with Listing Rule 14.4, provides that a director must not hold office (without re-election) past the third AGM following the director's appointment.	5.1	18.4(b)
	The time by which nominations must be received by the company for a proposed director has been extended from 30 days before the relevant general meeting to 45 business days before the meeting, to ensure details of such a nomination can be included in a notice of meeting.	6.4	18.4(k)
	The Replacement Constitution contains rules clarifying when directors may be entitled to extra remuneration or payment for services, such as when a director acts in the office of director of a related body corporate of the company, holds the office of chairman or deputy chairman, or is a member of a committee.	N/A	18.6(h), 21.2(g), 21.3(d), 21.4(c)
	The Replacement Constitution expands upon the types of interests that a director may hold without being disqualified from office, such as where a director is a member, creditor or is otherwise interested in any body corporate (including the company), partnership or entity, or where a director enters into any agreement or arrangement with the company.	34, 35, 36	18.8(a)
Small holdings	The terminology in the existing constitution of 'Unmarketable Parcels' has been replaced with 'Small Holdings' in the Replacement Constitution and the provisions have been expanded to give greater flexibility to deal with small shareholdings that may arise. The small holding provisions in the Replacement Constitution stipulate the processes to reduce small holdings where they have arisen due to a change in share value or a transfer of shares completed prior to the adoption of the new rule (Small Holding) or where a new small holding has been purchased after the Replacement Constitution has been adopted (as contemplated by Listing Rule 15.13A, which was introduced in 1999) (New Small Holding). In summary, under the Replacement Constitution, there is no restriction on the number of New Small Holdings sales the company can complete in a 12 month period and only 7 days notice is required to be given to the holder (with no option for the holder of the New Small Holding to opt out). The company is also entitled to deduct the costs of the sale of a New Small Holding from the sale proceeds payable to the holder of the New Small Holding. The existing constitution treats Small Holdings and New Small Holdings equally and does not prescribe a different (quicker) process to reduce New Small Holdings. Finally, the Replacement Constitution provides that the directors may treat a member registered for more than one parcel of shares as a separate member for each of those parcels and gives the board the ability to refuse to register a transfer of share that creates a small holding. The existing constitution does not contain equivalent powers.	147 141	13 12.3(a)
Disposal of main undertaking	The existing constitution states that member approval is required for a significant change to the company involving the disposal of its main undertaking. This rule has not been retained in the Replacement Constitution given that the Listing Rules already contain a requirement to obtain member approval for the disposal of a company's main undertaking and it is not market practice to also contain the requirement in a company's constitution.	17.5	N/A

EXPLANATORY NOTES (CONTINUED)

Special resolution

Under section 136(2) of the Corporations Act, the resolution to adopt the Replacement Constitution must be passed as a special resolution of shareholders.

Recommendation

The directors unanimously recommend that shareholders approve the adoption of the Replacement Constitution and vote in favour of the resolution.



By mail:
Data#3 Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



By fax: +61 2 9287 0309



All enquiries to: Telephone: +61 1300 554 474



X99999999999

PROXY FORM

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

STEP 1

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 (excluding the registered shareholder) you are appointing as your proxy.

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 vote on my/our behalf (including in accordance with the directions set out below or, if no directions have been given, to vote as the proxy sees fit, to the extent permitted by the law) at the Annual General Meeting of the company to be held at 10:30am (Brisbane time) on Friday, 21 November 2014 at the head office at 67 High Street, Toowong, Brisbane, Queensland (the Meeting) and at any postponement or adjournment of the Meeting.

I/we expressly authorise the Chairman of the Meeting to exercise my/our proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel.

The Chairman of the Meeting intends to vote undirected proxies in favour of all items of business.

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 ☒.

STEP 2

VOTING DIRECTIONS

ORDINARY BUSINESS

Resolution 1

Adoption of the remuneration report

For Against Abstain*

☐☐☐

Resolution 2

Re-election of Mr I J Johnston

☐☐☐

SPECIAL BUSINESS

Resolution 3

Adoption of new constitution

For Against Abstain*

☐☐☐

* 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.

STEP 3

SIGNATURE OF SHAREHOLDERS - THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Shareholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Shareholder 3 (Individual)

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).

DTL PRX401R



HOW TO COMPLETE THIS 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 a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in Step 1. If you appoint someone other than the Chairman of the Meeting as your proxy, you will also be appointing the Chairman of the Meeting as your alternate proxy to act as your proxy in the event the named proxy does not attend the Meeting.

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:

- (a) 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
- (b) 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.

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 Wednesday, 19 November 2014**, 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

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.

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.