

NOTICE OF ANNUAL GENERAL MEETING

16 November 2016

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 16 November 2016 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 2016.

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 2016'.

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 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: Election of Ms L M Muller (Resolution 2)

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

'That Ms Leanne Muller, who was appointed as a non-executive director on 26 February 2016, be elected as a director of the company in accordance with the company's constitution'.

Item 4: Re-election of Mr W T Powell (Resolution 3)

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

'That Mr William Terence Powell, who retires by rotation and being eligible, be re-elected as a director of the company in accordance with the company's constitution'.

By order of the board

Terence Bonner
Company Secretary and General Counsel
22 September 2016

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 14 November 2016. 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 14 November 2016 (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 2016. Relevant written questions for Pitcher Partners must be received no later than 5:00pm (Brisbane time) on Thursday 10 November 2016. 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 Thursday 10 November 2016.

CONTACT DETAILS FOR SHARE REGISTRY

Link Market Services Limited
Locked Bag A14
SYDNEY SOUTH NSW 1235

Telephone: (02) 8280 7454
Fax: (02) 9287 0309
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 28 to 33 of the company's 2016 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 Managing Director, Chief Executive Officer 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: Election of Ms L M Muller (Resolution 2)

Leanne Muller was appointed as a non-executive director of Data#3 Limited on 26 February 2016. Leanne is required to stand for election at the 2016 Annual General Meeting, in accordance with the company's constitution.

Information regarding Leanne'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 QInsure Limited, Guide Dogs Queensland, Local Government Infrastructure Services Pty Limited and Local Buy Pty Ltd, and is an external specialist member of the Audit, Risk & Compliance Committee of QSuper.

Leanne's special responsibilities include:

- Chair of audit and risk committee.

The board recommends 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: Re-election of Mr W T Powell (Resolution 3)

Terry Powell has served as a non-executive director of Data#3 Limited since 2002. Terry is required to retire by rotation at the 2016 Annual General Meeting, and being eligible, stands for re-election in accordance with the company's constitution.

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

W T Powell, BEcon (non-executive director)

Terry was Executive Chairman of Data#3 from its foundation in 1984 and then Managing Director from 1989 to June 1996. Prior to 1984, Terry was Managing Director of Powell Clark & Associates, formed in 1977. As part of Data#3 Limited's listing on the Australian Stock Exchange, he resigned as Chairman in October 1997 to allow for the appointment of a non-executive chairman. Terry re-joined the Data#3 Limited board in February 2002. Prior to retirement from Data#3 in 2001, Terry was General Manager of Group Operations with responsibility for Data#3's systems and processes, operations and logistics, business improvement and human resources. Terry's career in IT began at IBM's Data Processing Division in 1966. He continued with IBM until 1976, enjoying considerable success in systems engineering and sales roles.

Terry's special responsibilities include:

- Member of audit and risk committee
- Member of remuneration and nomination committee.

As part of the assessment of Terry's independence, the board specifically reviewed whether his tenure with the company had impacted on his independence. The board determined that Terry continued to be independent, and that his appointment remains in the best interests of Data#3 because of the substantial knowledge and expertise he brings to the board, and to help facilitate a stable, planned renewal of the board. The board has further determined that Terry has not formed associations with management or others that might compromise his ability to fulfil his role as an independent director.

The board recommends that shareholders vote in favour of Resolution 3, and the Chairman of the meeting intends to vote undirected proxies in favour of this resolution.



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 member(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 on Wednesday, 16 November 2016 at Data#3's head office, 67 High Street, Toowong, Brisbane, QLD 4066** (the **Meeting**) and at any postponement or adjournment of the Meeting.

Important for Resolution 1: 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 Resolution 1, even though the Resolution is 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 item of business.

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

For Against Abstain*

1 Adoption of the remuneration report

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2 Election of Ms L M Muller

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3 Re-election of Mr W T Powell

☐	☐	☐
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* 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

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolution is 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:

- (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 on Monday, 14 November 2016**, 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

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

**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.**