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| <b>Company</b> | <b>Technology One</b>                               |
| <b>Code</b>    | <b>TNE</b>  |
| <b>Meeting</b> | <b>AGM</b>  |
| <b>Date</b>    | <b>26 February 2019</b>                             |
| <b>Venue</b>   | <b>Brisbane Convention &amp; Exhibition Centre.</b> |
| <b>Monitor</b> | <b>Mike Sackett</b>                                 |

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| <b>Number attendees at meeting</b>           | 70 shareholders plus 25 visitors                        |
| <b>Number of holdings represented by ASA</b> | 75  |
| <b>Value of proxies</b>                      | \$5.7m  |
| <b>Number of shares represented by ASA</b>   | 759,253 (equivalent to 15 <sup>th</sup> largest holder) |
| <b>Market capitalisation</b>                 | \$2.3 billion   |
| <b>Were proxies voted?</b>                   | Yes, on a poll  |
| <b>Pre AGM Meeting?</b>                      | Yes, with CFO and Company Secretary                     |

## Cloud with a golden lining

The AGM of the Brisbane-based Technology One, a Software as a Service company, was a pretty harmonious and upbeat affair. This was little surprise with shareholders enjoying a current Total Shareholder Return of 59% over the past year and 32% per annum over the past decade. Executive Chair and company founder Adrian Di Marco was positive about sustaining future growth without giving specific guidance. The strength of the company's model was its cloud-based "one global code line" software offering significant economies of scale in a diversity of applications. CEO Edward Chung said that in future he expected earnings between the reporting halves of the year to be more evenly split than in the past when there had been a tendency for new contracts to be settled around May/June. In future, a split of approximately 45:55 between the halves was expected, mainly due to the increasing volume of on-going contract income.

Technology One software in Australasia has found a niche in not-for-profit organisations such as government at both local and central levels, together with higher education and health establishments. The company has devoted considerable efforts towards establishing a foothold in the large UK market without conspicuous success to date. In answer to an ASA question, Mr Di Marco said the greatest prospects for success in the UK market appeared to lie in the local government and higher education arenas.

Chair Di Marco made reference in his remarks to executive remuneration, the independence of directors and to efforts towards Board renewal – all issues on which ASA had expressed a view in earlier meetings. Technology One had suffered a near-strike at the February 2015 AGM (before ASA covered the company) due to proxy advisor disaffection. The Board was clearly shaken by that vote and has taken steps to reform since that time. While ASA still has issues about the three year testing period for long-term incentives, 2018 executive remuneration appeared to have been relatively restrained. This was clearly the consensus of the meeting with a 99.5% vote by poll in favour of the Remuneration Report.

The independence, or otherwise, of Board directors is an issue on which Technology One and ASA agree to differ. ASA repeated its concerns at the AGM and remarked that while it was voting for the Resolutions 1 and 4 which promote Board diversity and renewal, it would vote against the re-election of a director first appointed in 2005 and who the company still regard as independent. That director was subsequently re-elected with a 93.9% vote in favour. All other resolutions were passed with close to 99% of votes in favour.