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# EDITED TRANSCRIPT

DXC.N - DXC Technology Co Annual Shareholders Meeting

EVENT DATE/TIME: AUGUST 10, 2017 / 2:30PM GMT



AUGUST 10, 2017 / 2:30PM, DXC.N - DXC Technology Co Annual Shareholders Meeting

## CORPORATE PARTICIPANTS

**John Michael Lawrie** *DXC Technology Company - Chairman, President & CEO*

**William L. Deckelman** *DXC Technology Company - Executive VP, General Counsel & Secretary*

## PRESENTATION

### Operator

Good morning, and welcome to the DXC Technology Annual Meeting of Stockholders.

And now, I would like to turn the conference over to Mike Lawrie. Please go ahead.

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**John Michael Lawrie** - *DXC Technology Company - Chairman, President & CEO*

Thank you, and good morning, ladies and gentlemen. Welcome to the 2017 Annual Meeting of Stockholders of DXC Technology. I'm Mike Lawrie, Chairman of the Board of Directors, President and CEO of DXC Technology, and will be presiding as Chairman of this meeting. At this time, I will call the meeting to order.

I'd like to take this opportunity to make a few brief remarks. It's been 4 months since we launched DXC Technologies, our new company, our new brand. And once again, on behalf of our board and our entire community, I want to thank you, our shareholders, for your overwhelming trust and confidence in bringing CSC and HPE together to form our new company. We made a powerful statement to the marketplace and to all those we serve that DXC Technology is real, relevant and poised to lead. Our message and mission have been well received by our client, partners, employees, industry and financial analysts and our shareholders. We firmly established our position as the world's leading independent end-to-end IT services company and the DXC Technology brand in the marketplace. We've assembled and organized an incredible team of people. And as we deploy our workforce, we're also adding new talent and investing in our people and company to best address the needs of our clients. Our integration initiatives are progressing well and we are on track to deliver the promises made on cost savings and efficiencies. We're demonstrating how we help our clients harness the power of digital transformation and thrive on change in the rapidly evolving IT landscape, our scale, our offerings, our partner-driven solutions, independence and ability to deliver are powerful differentiators. And we're also privileged to affirm the trust and business of new customers around the world and across our industries.

On Tuesday, we announced our fiscal year 2018 first quarter earnings results. And in the first quarter, DXC Technology delivered on the revenue, the profit and cash flow road map that we had laid out at our Investor Day. We achieved several key merger integration milestones and are executing our synergy plan. We've implemented the first phase of the plan and are on track to meet our targets of \$1 billion of year of cost savings as well as \$1.5 billion run rate cost savings exiting this fiscal year. And we're strengthening our partnerships, expanding our partner offerings, and we're making strategic investments in the business, including our recent acquisition of Tribridge in July, making DXC a leading global integrator of Microsoft Dynamics.

Now going forward, we will continue to focus on the core priorities that we outlined during our Investor Day last March and on fulfilling the great promise that DXC Technology affords to the marketplace and all of our stakeholders: Leading our clients on their technology-driven business transformations, investing in and growing our global workforce and next-gen skills and talent and driving the levers of value creation.

So before we move on to the voting items, I would now like to introduce my fellow directors, all of whom are present today: Mukesh Aghi, Amy Alving, David Herzog, Sachin Lawande, Julio Portalatin, Peter Rutland, Manoj Singh, Meg Whitman and Bob Woods. I would also like to introduce several other participants in this meeting: Mr. James Raitt from American Election Services, who has been appointed as Inspector of Election for this meeting and has taken his oath as an inspector; and Mr. William Calder from Deloitte & Touche, the company's independent accountants, is also present at the meeting and will be available to answer questions concerning the company's financial statements. And Mr. William Deckelman, Executive Vice President and General Counsel and Corporate Secretary, who will act as Secretary of the meeting.



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Now I'd like to briefly review the rules of conduct and procedures for this meeting. We have posted the rules of conduct and the meeting agenda to the meeting portal. This meeting will follow the items as set forth on the agenda. Any stockholder who hasn't yet voted or wishes to change his or her vote may do so by clicking on the Vote Here button on the web portal and following the instructions. Any stockholder who has sent in a proxy or voted via the telephone or Internet does -- and does not want to change his or her vote does not need to take any further action. Now after the formal meeting has adjourned, we will provide time for general questions. Only validated stockholders will be able to submit questions online in the designated field on the web portal. Out of consideration for others, I'd ask that you please limit yourself to one question. And although we won't be able to answer all questions, we will do our best to provide a response to as many as possible. And I thank you in advance for your cooperation.

Now the Secretary has delivered an affidavit of mailing, establishing that notice of this meeting was duly given. And I hereby direct the Secretary to incorporate a copy of the notice of this meeting and the affidavit of mailing into the minutes of this meeting. And as noted in the notice and proxy statement previously delivered to you, all stockholders of record at the close of business on June 12, 2017, are entitled to vote at this annual meeting.

Now our first order of businesses at this meeting is to determine whether the shares represented at the meeting, either by proxy or online, are sufficient to constitute a quorum for the purpose of transacting business. Mr. Deckelman, would you please report on whether a quorum is present?

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**William L. Deckelman** - *DXC Technology Company - Executive VP, General Counsel & Secretary*

Mr. Chairman, the stockholders list for the company shows that the holders of 284,644,845 shares of common stock at the company are entitled to vote at this meeting. We are informed by our Inspector of Election that there are represented by proxy or online 255,231,645 shares of common stock or approximately 89.67% of all the shares entitled to vote at this meeting, therefore, a quorum is present.

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**John Michael Lawrie** - *DXC Technology Company - Chairman, President & CEO*

Thank you. Because holders of a majority of the shares entitled to vote at this meeting are present by proxy or online, I declare this meeting open and confident for the transaction of business as may properly come before it. May I also remind everyone that our discussions today may include forward-looking statements that are subject to risks, uncertainties and other factors that could cause actual results to differ materially from these statements. Additional information about these factors is detailed in the company's press releases and public filings with the Securities and Exchange Commission, including the Annual Report on Form 10-K.

Now there are 5 proposals to be considered and act upon at this annual meeting. Voting will commence after all proposals have been presented. If you have any questions on the proposals described in the proxy statement, please enter the question on the web portal now.

The first proposal before the stockholders of the company is the election of the 10 directors of the company to hold office until the 2018 annual meeting or until their successors are elected and qualified. The company has an advance notice provision in its bylaws for nominations of proposals for inclusion at the annual meeting. Accordingly, all nominations for directors are closed. The Board of Directors of the company recommends the election of the following persons as directors of the company: Mukesh Aghi, Amy Alving, David Herzog, Sachin Lawande, Julio Portalatin, Peter Rutland, Manoj Singh, Meg Whitman, Robert Woods and myself. Information about the nominees for election as directors is included in the company's proxy materials, which have been previously provided to the stockholders.

Proposal 2 for the stockholders is the ratification of the appointment of Deloitte & Touche LLP as independent auditors. The board recommends the ratification of the appointment of Deloitte & Touche as the company's independent auditor for the 2018 fiscal year. A representative of Deloitte & Touche is present and is available to respond to appropriate questions.

The third proposal before the stockholders of the company is the approval by advisory or nonbinding vote of the company's compensation of its named executive officers as identified in the proxy statement, and the board recommends the approval of this proposal. And if approved, the minutes will reflect the following resolutions of the shareholders. Resolved that the stockholders of DXC Technology Company approve, on an



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advisory basis, the compensation of the named executive officers as disclosed in the DXC Technology Company 2017 definitive proxy statement pursuant to Item 402 of Regulation S-K, including the compensation discussion and analysis, compensation tables and accompanying footnotes and narratives.

The fourth proposal before the stockholders of the company is the approval by advisory or nonbinding vote of the frequency of holding future advisory, nonbinding votes on the company's compensation of its named executive officers. Specifically, stockholders may vote on whether the nonbinding advisory vote on the compensation of our named executive officers should occur every 1, 2 or 3 years. The board recommends a vote for the option of every year as the preferred frequency for holding future votes on executive compensation.

The fifth and final proposal before the stockholders is the approval of the material terms of the performance goals under which compensation may be paid under the DXC Technology Company 2017 Omnibus Incentive Plan, so that certain awards under the plan may qualify for tax deduction by the company under Section 162(m) of the Internal Revenue Code. Additional information about the proposal is described in the proxy statement, and the board recommends the approval of this proposal.

That concludes the introduction of all matters requiring a stockholder vote today. Voting will proceed as follows: Any stockholder who hasn't yet voted or wishes to change his or her vote may do so by clicking on the Vote Here button on the web portal and following the instructions. Any stockholder who has sent in a proxy or voted via the telephone or Internet does -- and does not want to change his or her vote does not need to take any further action. It is now 10:44 a.m., and I declare the polls open for each matter to be voted on today. We will leave the polls open for a few moments to allow anyone who chooses to vote electronically to cast their ballots.

(Voting)

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**John Michael Lawrie** - DXC Technology Company - Chairman, President & CEO

We now seem to have all the electronic ballots, and I hereby declare the polls closed. The electronic ballots and proxies will be held in the possession of the Inspector of Election. The Inspector of Election will count the votes.

We will now move on to the question-and-answer period. Only validated stockholders will be able to submit questions online in the designated field on the web portal. Out of consideration for others, as I said, please limit yourself to one question. And although, we won't be able to answer all questions, we will do our best to provide a response to as many as possible. We will pause briefly to compile the questions that have been submitted.

## QUESTIONS AND ANSWERS

**John Michael Lawrie** - DXC Technology Company - Chairman, President & CEO

Okay. We do have one question. The question is, how much of the EBIT came from new business versus layoffs? And what new business has come through alliance agreements such as the one DXC has with AT&T?

We don't really track the EBIT by new business or by layoffs. These are all aggregated into our business to derive what our earnings are before interest and taxes. We do know that our alliance with AT&T has produced a significant revenue probably in the neighborhood of \$80 million to \$100 million. We also have announced an extension of our partnership agreement with AT&T around their FlexWare platform that allows us to provide a secure connection between cloud data centers, which we talked about at our most recent earnings call earlier in the week.

Well, this concludes the question-and-answer session. We will now move to the results of the voting.

Mr. Deckelman, would you please report the results of the voting on the proposals before the stockholders of the company at this meeting?

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### **William L. Deckelman** - *DXC Technology Company - Executive VP, General Counsel & Secretary*

We have been informed by the Inspector of Election that all those ballots have been counted and that each of the nominees for election to the Board of Directors has received a requisite affirmative vote cast by proxy or online at this meeting for election as directors. I also declare that the requisite affirmative vote cast by proxy or online at this meeting has been obtained to approve the company's executive compensation, to recommend holding future votes on executive compensation every year and to ratify the appointment of Deloitte & Touche LLP as the company's independent auditor for the 2018 fiscal year. I also declare that the requisite affirmative vote cast by proxy or online at this meeting has been obtained to approve the material terms of the performance goals under the 2017 Omnibus Incentive Plan.

### **John Michael Lawrie** - *DXC Technology Company - Chairman, President & CEO*

Well, thank you, Mr. Deckelman, and I declare that the Director nominees have been duly elected, each to hold office until next year's meeting or his or her respective successor is elected and qualified. I also declare that the company's executive compensation proposal has been approved, and that the stockholders recommend holding future votes on executive compensation every year, and that the appointment of Deloitte & Touche LLP as the company's independent auditor for the fiscal year 2018 has been duly ratified. I also declare that the material terms of the performance goals under the 2017 Omnibus Incentive Plan have been approved.

The annual meeting is now concluded. I declare this meeting to be officially adjourned at 10:50 a.m., August 10, 2017, and I wish to thank each of you for attending and for your support.

### **Operator**

Thank you. The meeting has concluded. Thank you for attending today's presentation.

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