

# Audited Remuneration Report

This Remuneration Report provides details of IRESS' policy for determining the remuneration of directors and executives; the relationship between the policy and the performance of the company during the financial year; and the remuneration of board members and executives in accordance with the requirements of the Corporations Act 2001 and its Regulations. For the purposes of this report, Key Management Personnel of the group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the company and the group, directly or indirectly, including any director (whether executive or otherwise) of the parent company, and includes the seven executives in the parent or the group receiving the highest remuneration.

## Directors and Key Management Personnel Details

This remuneration report includes information on the remuneration of:

- the directors of IRESS Market Technology Limited, being:
  - Mr N Hamilton (Chairman, Non-executive Director; retired on 5 May 2010);
  - Mr P Dunai (Director, Chairman from 5 May 2010, Chairman of Nomination and Remuneration Committee);
  - Mr A Walsh (Managing Director, appointed 15 October 2009)
  - Mr J Killen (Chairman of the Audit Committee, Non-executive Director);
  - Mr B Burdett (Non-executive Director);
  - Ms J Seabrook (Non-executive Director, Lead Independent Director from 5 May 2010); and
  - Mr J Cameron (Non-executive Director, appointed 15 March 2010);
  
- and other key management personnel being:
  - Mr S Bland (Chief Financial Officer);
  - Mr J Davies (President & Chief Executive Officer, Financial Markets Canada);
  - Ms K Gross (General Manager, Products, Sales & Marketing);
  - Mr A Rudy (General Manager, Operations);
  - Mr J Rudy (General Manager, Financial Markets Asia);
  - Mr D Walker (Chief Technical Officer); and
  - Ms T Vigilante (General Manager, Wealth Management Australia).

(Collectively, the above other key management personnel represent the 'executives'.)

# Audited Remuneration Report

## Share Rights

### Share Rights Granted To, and Vesting In, Directors and Executives

The following table sets out the share rights issued by the company to directors during the year, as well as the share rights which vested during the year to directors or a related body corporate of a director.

No share rights have been issued to directors or executives since the end of the year. No share rights granted to directors or executives have been cancelled during the year or since the end of the year.

Directors	Note	Share rights granted during the year	Share rights vested during the year
Mr P Dunai	(a)	–	559,375
	(b)	–	100,000
Mr A Walsh	(c)	125,000	51,950
	(b)	29,000	19,000

(a) Governed by the rules of the Peter Dunai Employee Performance Rights Plan.

(b) Governed by the rules of the Employee Deferred Share Plan.

(c) Governed by the rules of the Employee Performance Rights Plan.

During the year, the following share rights were issued to executives and staff and the following share rights vested to executives or a related body corporate of theirs.

Executives	Performance rights granted during the year (a)	Deferred shares / deferred share rights granted during the year (b)	Share rights vested during the year (c)
Mr S Bland	31,690	10,190	61,390
Mr J Davies (d)	15,580	11,080	40,000
Ms K Gross	28,170	10,390	48,110
Mr A Rudy	19,370	6,590	43,400
Mr J Rudy	23,770	7,190	42,900
Mr D Walker	31,690	10,790	60,390
Ms T Vigilante	17,610	7,190	27,280

(a) Governed by the rules of the Employee Performance Rights Plan.

(b) Governed by the rules of the Employee Deferred Share Plan and the Employee Deferred Share Rights Plan.

(c) Comprises performance rights and deferred shares.

(d) Vested share rights may be unexercised.

The number of share rights which subsequently vest is dependent on a number of variables including the performance of the company. In accordance with the applicable share plan rules and where they were eligible to vest, all performance rights eligible for vesting in May 2010, issued in May 2005, May 2006 and May 2007 vested.

Further details of the above performance rights, deferred shares and deferred share rights are set out in Notes 36 to 39 of the financial statements.

# Audited Remuneration Report

## Share Rights Exercised by Directors and Executives

During the financial year, the following vested share rights were exercised by the nominated person(s) and converted into ordinary shares in IRESS Market Technology Limited. With the exception of Mr Davies, no vested shares for directors or executives remain unexercised at 31 December 2010.

	Performance rights exercised during the year (a)	Deferred shares / deferred share rights exercised during the year (b)	Aggregate amount paid \$
<b>Directors</b>			
Mr P Dunai	559,375	100,000	2
Mr A Walsh	51,950	19,000	1
<b>Executives</b>			
Mr S Bland	46,390	15,000	1
Mr J Davies	–	–	–
Ms K Gross	37,110	11,000	1
Mr A Rudy	33,400	10,000	1
Mr J Rudy	33,400	9,500	1
Mr D Walker	46,390	14,000	1
Ms T Vigilante	9,280	18,000	1

(a) Governed by either the Peter Dunai Performance Rights Plan or the Employee Performance Rights Plan as applicable. The exercise price was \$1 in total for each series of performance rights exercised.

(b) Governed by the Employee Deferred Share Plan or the Employee Deferred Share Rights Plan as applicable.

Further details on the Employee Performance Rights Plan, the Peter Dunai Performance Rights plan and the Employee Deferred Share Plan are set out in Notes 36, 37 and 38 respectively.

## Director and Executive Shareholdings

The following table sets out each director's relevant interest held directly or through a related body corporate in shares, performance rights and deferred share rights of the Company at the date of this report, including where applicable, shares yet to be beneficially transferred/withdrawn by the respective director from the IRESS Employee Share Trust. There are no vested share rights which have not been exercised. Unvested performance rights and deferred shares may, subject to meeting performance hurdles, vest at sometime in the future.

Directors	Fully paid ordinary shares (a)	Unvested performance rights	Unvested deferred shares
Mr P Dunai	690,000	200,000	–
Mr A Walsh	70,950	281,000	54,000
Mr J Killen	77,500	–	–
Mr B Burdett	100,000	–	–
Ms J Seabrook	20,000	–	–
Mr J Cameron	–	–	–

(a) Some or all of these shares may still be subject to restrictions as set out in the share plan rules, and as such are currently held on trust for the respective director or executive by the IRESS Market Technology Equity Plan Trust.

# Audited Remuneration Report

The following table sets out the relevant interest in shares, performance rights, deferred shares and deferred share rights of the Company for each executive held directly or through a related body corporate, at the date of this report including where applicable, shares yet to be beneficially transferred/withdrawn by the respective executive from the IRESS Employee Share Trust. There are no vested share rights which have not been exercised. Unvested performance rights and deferred shares may, subject to meeting performance hurdles, vest at some time in the future.

Executives	Fully paid ordinary shares (a) (b)	Unvested performance rights	Unvested deferred shares	Unvested deferred share rights
Mr S Bland	220,390	123,690	23,190	–
Mr J Davies	–	55,850	–	24,080
Ms K Gross	183,110	99,170	21,890	–
Mr A Rudy	–	74,370	14,590	–
Mr J Rudy	–	79,770	16,190	–
Mr D Walker	417,260	115,690	22,790	–
Ms T Vigilante	27,280	17,610	20,190	–

(a) Some or all of these shares may still be subject to restrictions as set out in the share plan rules, and as such are currently held on trust for the respective director or executive by the IRESS Market Technology Equity Plan Trust.

(b) Mr Davies holds 40,000 vested but unexercised share rights.

The balance of this remuneration report is set out under the following headings.

- Policy and Structure:
  - Non-executive directors' remuneration
  - Executive remuneration
  - Performance under share based incentive plans
- Relationship between Company Performance and Remuneration
- Specific Remuneration Details
- Outline of Employment Contracts for the Managing Director and Executives

## Policy and Structure

### Non-executive directors' remuneration

The company's non-executive directors receive fees (including statutory superannuation) for their services plus the reimbursement of reasonable expenses. Non-executive directors' fees are reviewed annually and are determined by the Board having regard for fees paid to non-executive directors of comparable companies, and where considered necessary the Board seeks external advice on this subject.

The Board aims to set the aggregate remuneration at a level which provides the ability for IRESS to attract and retain highly competent directors. The aggregate remuneration level is determined from time to time by shareholders in general meeting, in accordance with the company's Constitution. The aggregate amount is then apportioned between the directors as agreed, taking into account market comparisons, the director's responsibilities, and the time spent by the non-executive directors on IRESS matters. Non-executive directors do not receive performance-based bonuses. Fees paid to non-executive directors during 2010 were within the maximum aggregate limit of \$600,000 per annum agreed to by shareholders at the Annual General Meeting held on 5 May 2010.

# Audited Remuneration Report

At the end of the year the non-executive directors' annualised fee structure was as follows.

Role	Current fee \$ (a)
Chairman	163,500
Chairman of Audit Committee	85,429
Lead Independent Director	85,429
Non-executive directors	73,984

(a) Includes statutory superannuation contributions or salary in lieu of statutory superannuation contributions by the Company.

Directors may elect to take all or part of their fees in cash or additional superannuation contributions.

The Company initiated a non-executive director equity plan in April 2008, but it has remained dormant up to 31 December 2010.

There are no other schemes for retirement benefits for non-executive directors. This is consistent with Principle 9.3 of the Australian Stock Exchange (ASX) Corporate Governance Guidelines.

## Executive remuneration

### *Philosophy*

The overall objective of the Company's approach to executive remuneration is to have practices and policies that will enable it to attract, retain, motivate and reward executives of the calibre required to be successful in terms of delivering long term returns to shareholders. Further, the Company's practices will be legal, ethical and consistent with being a good corporate citizen. It will comply with remuneration disclosures required by law and will seek to maintain the highest standards of clarity and transparency in communications with shareholders.

The total remuneration package should comprise a base package which is both reasonable and market competitive. A significant component of executive remuneration should be an 'at risk' incentive award which provides an opportunity for the executive to receive superior remuneration when superior results are delivered.

At risk incentives are based on a mix of performance criteria for each executive, including total company performance, relevant divisional or business unit performance and the achievement of personal objectives from the performance appraisal process.

The at risk incentives should provide both short term benefits (to promote continuous increases in annual performance outcomes) and long term benefits (to promote sustained delivery of long term shareholder wealth).

The Company believes that the long term interests of executives and shareholders should be aligned and that such alignment is best achieved by executives having either direct equity in the Company or instruments whose value is ultimately determined by the Company's share price over the medium to long term.

### *Fixed annual remuneration*

The fixed remuneration consists of cash salary ('Base'), benefits, and fringe benefits. In situations where it is consistent with the treatment of the broader employee base, the company will gross-up the amount in relation to benefits that do not qualify as company income tax deductions. The Company makes superannuation contributions on fixed remuneration amounts.

To ensure that fixed remuneration arrangements remain competitive, the fixed remuneration component of executive remuneration is reviewed annually based on performance and market data.

Benchmarking of executive remuneration is against executive remuneration practices for executive roles having similar scope, accountability and complexity to those being reviewed. Positions may be benchmarked against:

- other positions within the Company so that internal relativities are maintained; and/or
- roles situated in companies listed on the Australian Stock Exchange with market capitalisations similar to that of the Company's and/or within an industry sector in which the Company has operations.

# Audited Remuneration Report

## Short term incentive remuneration

The Company operates a short term bonus scheme to provide competitive performance based remuneration incentives to both executives and staff. Its objectives are to:

- align the interests of the executives and staff with those of shareholders;
- provide participants with an opportunity to be rewarded with at risk remuneration where superior performance outcomes are achieved over the measurement period; and
- reflect a strong commitment towards attracting and retaining high performing executives and staff who are committed to the ongoing success of the Company.

Performance objectives are established for all executives and structured to reflect each executive's potential impact on and contribution to the business. The performance objectives comprise elements of total company performance and individual performance and contain measures of financial, non-financial and strategic outcomes. Achievement of performance objectives would entitle an executive to a cash bonus.

Generally, bonus arrangements are capped at a maximum of 50% of Base, however when exceptional outcomes are delivered, or where warranted by special circumstances, it can exceed this amount.

All executive bonus amounts are determined based on the recommendation of the Managing Director, having regard to actual performance against the performance objectives. These recommendations are then put to the Chairman for approval. In the Managing Director's case, the review and recommendation is performed by the Chairman, with recommendations put to the Board for approval (where the Managing Director does not vote).

Under the short term remuneration arrangements outlined above, the following bonuses for executive directors and executives were accrued during the year and paid in December 2010.

	Maximum that could be earned	% Achieved	% Not achieved
	% of Base	% of Base (b)	% of Base
Mr A Walsh	50	45	5
Mr S Bland	50	39	11
Mr J Davies	–	34	–
Ms K Gross (a)	–	44	–
Mr A Rudy (a)	–	36	–
Mr J Rudy (a)	–	37	–
Mr D Walker (a)	–	39	–
Ms T Vigilante (a)	–	31	–

(a) While not stipulated in their employment contracts, practice has been to adopt a bonus as a percentage of base salary cap of 50% except where there are special circumstances.

(b) Based on annualised monthly salary as at 31 December 2010.

For its Australian executives the Company makes superannuation contributions on bonus payments at the statutory rate or salary payments in lieu of superannuation, which is not included in the above bonus percentages.

# Audited Remuneration Report

## *Longer term incentive remuneration*

The Company currently operates the following long term incentive plans (the details of which are set out in Notes 36 to 39 of the financial statements):

- Employee Performance Rights Plan;
- Employee Deferred Share Plan;
- Employee Deferred Share Rights Plan; and
- Peter Dunai Performance Rights Plan

(collectively 'share rights').

The decision to make an award of share rights is made periodically by the Board (usually annually). Individual participation is based on a number of factors including the strategic significance of the role and outcomes achieved; capacity to impact on strategic outcomes in terms of special achievements or requirements; future potential and succession planning requirements; and personal performance. Hedging of unvested share rights is prohibited.

Grants of performance rights under the Employee Performance Rights Plan have been made in May each year since the plan was first introduced in 2003. Performance Rights vest, subject to meeting performance criteria (outlined below) at the end of the three years.

The Peter Dunai Performance Rights Plan was introduced in May 2005. At the annual general meeting in May 2005, shareholders approved granting Mr Dunai 1,000,000 performance rights under the plan, made over two issues, namely 500,000 in May 2005 with a further 500,000 issued in May 2006. There have been no further grants made under this plan.

The Employee Deferred Share Plan was introduced in April 2008. Deferred shares vest at the end of two years (or other periods specified in the offer).

The Employee Deferred Share Rights plan was introduced in April 2008. Deferred shares vest at the end of two years (or other periods specified in the offer).

Following the introduction of the Deferred Share Plan and the Deferred Share Rights Plan, directors have indicated that it is their intention to largely limit future grants of performance rights to the managing director and executives.

## *Performance criteria - Performance Rights*

The Company's performance ranking for a performance period is determined by reference to the total shareholder return of the Company during the performance period as compared to the total shareholder return for each company in a peer group of companies.

Both the Employee Performance Rights Plan and the Peter Dunai Performance Rights Plan have the same peer group and the same formula for determining the number of performance rights which become exercisable.

The peer group of companies comprises the top 200 companies listed in the ASX/S&P 200 companies after excluding mining companies and listed property trusts. A peer company must have been in the ASX/S&P 200 companies for the entire performance period (i.e. new entrants and companies dropping out of the ASX/S&P 200 companies are excluded).

The Company's ranking within that group of companies at the end of the relevant performance period determines the number of performance rights in the particular tranche that become exercisable (if any) on the following basis.

<b>Performance ranking range</b>	<b>Number of performance rights exercisable.</b>
Below 50th percentile	No rights exercisable.
50th percentile	50% of the rights in the tranche available to be exercised.
51st percentile to 74th percentile	Rights available in the tranche available to be exercised will be determined on a pro-rata basis between 50% and 100% depending on the Company's percentile performance ranking.
75th percentile or higher	100% of rights in the tranche available to be exercised.

# Audited Remuneration Report

## Performance under share based incentive plans

The table below summarises the various share rights granted to Mr Peter Dunai, and the performance of the Company, as measured under the applicable plans rules. There were no new grants of share rights to Mr Dunai in 2010.

Grant date	9 May 2005	8 May 2006	19 August 2008	19 August 2008
Number of share rights granted	500,000	500,000	100,000	200,000
Applicable plan rules	Peter Dunai Performance Rights Plan	Peter Dunai Performance Rights Plan	Deferred Share Rights Plan	Employee Performance Rights Plan
Total share rights cancelled	–	–	–	–
Fair value estimate at grant date (a)	\$2.18	\$3.81	\$6.15	\$3.69
1st performance ranking date				
Date	7 May 2008	7 May 2008	7 May 2010	19 August 2011
Percentile ranking	Top quartile	68 <sup>th</sup> percentile	N / A	–
Vested	100,000	65,625	100,000	–
2nd performance ranking date				
Date	7 May 2009	7 May 2009	–	–
Percentile ranking	Top quartile	Top quartile	–	–
Vested	100,000	175,000	–	–
3rd performance ranking date				
Date	7 May 2010	7 May 2010	–	–
Percentile ranking	Top quartile	Top quartile	–	–
Vested	300,000	259,375	–	–
Total vested and exercised	500,000	500,000	100,000	–
Total valid outstanding (b)	–	–	–	200,000
Percentage vested	100%	100%	100%	–

(a) The value of performance rights at grant date set out in the tables above is based on the external valuation advice from PricewaterhouseCoopers Securities Limited. The valuation has been made using a Monte Carlo simulation option pricing model using standard option pricing inputs such as the underlying stock price, exercise price, expected dividends, expected risk free rates and expected share price volatility (refer Note 35 of the financial statements) as well as adjusting for the likelihood of achieving performance hurdles.

(b) The quantum of performance rights ultimately vesting in Mr Dunai is a function of the performance of the Company relative to its peer group.

# Audited Remuneration Report

The table below summarises the various share rights granted to Mr Andrew Walsh, and the performance of the Company, as measured under the applicable plans rules.

Grant date	7 May 2007	7 May 2008	7 May 2008	7 May 2009	7 May 2009	7 May 2010	7 May 2010
Number of share rights granted	51,950	56,000	19,000	100,000	25,000	125,000	29,000
Applicable plan rules	Employee Performance Rights Plan	Employee Performance Rights Plan	Deferred Share Plan	Employee Performance Rights Plan	Deferred Share Plan	Employee Performance Rights Plan	Deferred Share Plan
Total share rights cancelled	–	–	–	–	–	–	–
Fair value estimate at grant date (a)	\$5.39	\$3.85	\$6.26	\$3.90	\$6.52	\$5.68	\$8.34
Performance ranking date							
Date	7 May 2010	7 May 2011	7 May 2010	7 May 2012	9 May 2011	7 May 2013	7 May 2012
Percentile ranking	Top quartile	–	N / A	–	–	–	–
Vested	51,950	–	19,000	–	–	–	–
Total vested and exercised	51,950	–	19,000	–	–	–	–
Total valid outstanding (b)	–	56,000	–	100,000	25,000	125,000	29,000
Percentage vested	100%	–	100%	–	–	–	–

(a) Refer Note (a) on page 18.

(b) The quantum of performance rights ultimately vesting in the Managing Director is a function of the performance of the Company relative to its peer group.

# Audited Remuneration Report

The table below summarises the various performance rights granted to executives and staff, and the performance of the Company, as measured under the applicable plans rules.

Grant date	7 May 2007	7 May 2008	7 May 2009	7 May 2010
Performance rights granted	908,272	235,000	199,000	252,650
Number of participants at grant date	136	7	6	13
Number of current participants	117	7	6	13
Total performance rights cancelled	68,108	–	–	–
Fair value estimate at grant date (a)	\$5.39	\$3.85	\$3.90	\$5.68
Performance ranking date	7 May 2010	7 May 2011	7 May 2012	7 May 2013
Ranking	Top quartile	–	–	–
Vested (b)	837,852	–	–	–
Total vested and exercised	799,164	–	–	–
Total vested and not exercised	41,000	–	–	–
Total valid outstanding (c)	–	235,000	199,000	252,650
Percentage vested	100%	–	–	–

(a) Refer to note (a) on page 18.

(b) 2,312 May 2007 performance rights vested in 2009 following exercise of director discretion.

(c) The quantum of performance rights ultimately vesting in executives and staff is a function of the performance of the Company relative to its peer group.

The table below summarises the various deferred shares granted to executives and staff and deferred share rights granted to staff.

Right granted	Deferred shares			Deferred share rights		
	7 May 2008	7 May 2009	7 May 2010	7 May 2008	7 May 2009	7 May 2010
Grant date	7 May 2008	7 May 2009	7 May 2010	7 May 2008	7 May 2009	7 May 2010
Number granted	704,470	553,720	540,230	88,500	94,320	71,280
Number of participants at grant date	169	168	220	15	18	17
Current number of participants	–	157	213	–	17	17
Total share rights cancelled	15,716	18,952	7,660	4,000	1,000	–
Fair value at grant date	\$6.26	\$6.52	\$8.34	\$5.76	\$6.00	\$7.67
Performance ranking date	7 May 2010	9 May 2011	7 May 2012	7 May 2010	9 May 2011	7 May 2012
Vested (a)	688,430	–	–	84,500	–	–
Total vested and exercised	688,754	–	–	40,000	–	–
Total vested and not exercised	–	–	–	44,500	–	–
Total valid outstanding	–	534,768	532,570	–	93,320	71,280
Percentage vested	100%	–	–	100%	–	–

(a) 324 May 2008 deferred shares vested in 2009 following exercise of director discretion.

# Audited Remuneration Report

## Relationship between Company Performance and Remuneration

The graph below outlines the relative share price performance of IRESS Market Technology Limited over the five years to December 2010, compared to the S&P/ASX 200 index. Over the five years the IRESS share price had increased by 94.4% and the S&P/ASX 200 index had increased by 0.6%. Further, during this period, IRESS has maintained its high dividend payout ratio and to date, all dividends paid have been fully franked.



An analysis of company performance over the five years to December 2010 is set out in the table below.

Measure	31 December 2006	31 December 2007	31 December 2008	31 December 2009	31 December 2010
Share price	702¢	800¢	515¢	859¢	873¢
Change in share price	252¢	98¢	(285¢)	344¢	14¢
Change in share price (%)	56.0%	13.9%	(35.6%)	66.8%	1.6%
Volume weighted average price for period	588¢	803¢	594¢	690¢	844¢
Dividend per share (a)	21.0¢	26.0¢	31.0¢	34.0¢	37.9¢

- (a) Dividend per share calculated based on total of interim and final dividend rather than dividends actually paid in the year. All dividends other than the December 2010 final dividend are fully franked. A special dividend to offset the impact of the less than fully franked 2010 final dividend has not been included in the above analysis.

# Audited Remuneration Report

As set out on pages 11 to 27 the Board has regard to a number of factors when setting the levels of fixed, short term and long term remuneration for the managing director and executives including financial performance, non-financial factors and strategic factors.

## Specific Remuneration Details

The following table discloses the remuneration of the Directors of the Company for the year ended 31 December 2010.

	Short term employment benefits			Post employment (a)	Share based payments	Total \$
	Salary & fees \$	Bonus \$	Non- monetary \$	Super- annuation \$	Equity settled share rights \$ (b)	
<b>Executive Director</b>						
Mr A Walsh	681,250	350,000	–	25,000	569,311	1,625,561
<b>Non-executive Directors</b>						
Mr N Hamilton (c)	46,816	–	–	4,213	–	51,030
Mr P Dunai (d)	179,422	–	471	6,750	499,159	685,802
Mr J Killen	78,375	–	–	7,054	–	85,429
Mr B Burdett	67,875	–	–	6,109	–	73,984
Ms J Seabrook	74,767	–	–	6,729	–	81,496
Mr J Cameron (e)	54,300	–	–	4,887	–	59,187

(a) There were no other short term employee benefits, other pension or post employment benefits, other long term employee benefits, termination benefits or other share based payments paid to directors during the year.

(b) This expense is a function of both the value and duration of the instruments granted. The expense recognised in 2010 represents a combination of share grants made in 2010 and prior years.

(c) Retired 5 May 2010.

(d) Excludes \$112,939 in accrued leave entitlements paid to Mr Dunai following his transition to Chairman.

(e) Appointed 15 March 2010.

# Audited Remuneration Report

The following table discloses the remuneration of the Directors of the Company for the year ended 31 December 2009.

	Short term employment benefits			Post employment (a)	Share based payments	Total \$
	Salary & fees \$	Bonus \$	Non-monetary \$	Super-annuation \$	Equity settled share rights \$ (b)	
<b>Executive Director</b>						
Mr P Dunai	615,017	188,660	1,383	36,801	1,069,889	1,911,751
Mr A Walsh	456,786	187,680	–	51,486	412,524	1,108,476
<b>Non-executive Directors</b>						
Mr N Hamilton	123,750	–	–	11,138	–	134,888
Mr J Killen	72,375	–	–	6,514	–	78,889
Mr B Burdett	61,875	–	–	5,569	–	67,444
Ms J Seabrook	61,875	–	–	5,569	–	67,444

- (a) There were no other short term employee benefits, other pension or post employment benefits, other long term employee benefits, termination benefits or other share based payments paid to directors during the year.
- (b) This expense is a function of both the value and duration of the instruments granted. The expense recognised in 2009 represents a combination of share grants made in 2009 and prior years.

The following table discloses the remuneration of the seven executives of the Company and the Consolidated Entity (other than the Managing Director) for the year ended 31 December 2010.

	Short term employment benefits			Post employment (a)	Share based payments	Total \$
	Salary & fees \$	Bonus \$	Non-monetary \$	Super-annuation \$	Equity settled share rights \$ (b)	
Mr S Bland	326,161	133,000	1,455	25,259	273,225	759,100
Mr J Davies (c)	360,964	127,483	8,237	2,749	168,514	667,947
Ms K Gross	246,880	114,000	1,164	26,962	227,311	616,317
Mr A Rudy	220,740	83,000	1,455	26,962	170,587	502,744
Mr J Rudy	210,940	85,000	1,455	26,635	181,689	505,719
Mr D Walker	321,230	132,000	1,455	26,380	260,177	741,242
Ms T Vigilante	271,717	88,000	–	26,380	109,023	495,120

- (a) There were no prescribed or other benefits paid to executives during the year.
- (b) This expense is a function of both the value and duration of the instruments granted. The expense recognised in 2010 represents a combination of share grants made in 2010 and prior years.
- (c) Where applicable, Mr Davies' remuneration details have been converted to Australian dollars at the weighted average exchange rate.

# Audited Remuneration Report

The following table discloses the remuneration of the six executives of the Company and the Consolidated Entity (other than the Managing Director) for the year ended 31 December 2009.

	Short term employment benefits			Post employment (a)	Share based payments	Total \$
	Salary & fees \$	Bonus \$	Non-monetary \$	Super-annuation \$	Equity settled share rights \$ (b)	
Mr S Bland	319,881	114,970	1,383	39,137	280,898	756,269
Mr J Davies (c)	423,518	138,764	8,752	3,194	181,162	755,390
Ms K Gross	211,268	98,260	1,225	27,858	225,073	563,684
Mr A Rudy	216,381	72,000	1,383	25,954	186,720	502,438
Mr J Rudy	201,881	72,710	936	24,713	187,255	487,495
Mr D Walker	298,881	113,000	1,383	37,069	267,121	717,454

(a) There were no prescribed or other benefits paid to executives during the year.

(b) This expense is a function of both the value and duration of the instruments granted. The expense recognised in 2009 represents a combination of share grants made in 2009 and prior years.

(c) Where applicable, Mr Davies' remuneration details have been converted to Australian dollars at the weighted average exchange rate.

Share rights granted, exercised or lapsed in favour of the Managing Director and executives or a related body corporate of theirs during the financial year ended 31 December 2010 were as follows.

	% of remuneration consisting of share based consideration (a)	Value of share based consideration granted during the year at grant date \$ (b)	Value of share based consideration exercised during the year \$ (c)	Value of share based consideration at lapse date, where lapsed during the year \$
<b>Directors</b>				
Mr P Dunai	(d)	–	5,499,188	–
Mr A Walsh	35	951,860	591,723	–
<b>Executives</b>				
Mr S Bland	36	264,984	511,993	–
Mr J Davies	25	188,702	–	–
Ms K Gross	37	246,658	401,237	–
Mr A Rudy	34	164,982	361,956	–
Mr J Rudy	36	194,978	357,786	–
Mr D Walker	35	269,988	503,653	–
Ms T Vigilante	22	159,989	227,515	–

(a) This figure is calculated on the value of share rights included in remuneration for the year ended 31 December 2010 as a percentage of the total value of all remuneration received in that same year.

(b) External valuation advice from PricewaterhouseCoopers Securities Limited has been used to determine the value of the performance rights. The valuation has been made using a Monte Carlo simulation option pricing model using standard option pricing inputs such as the underlying stock price, exercise price, expected dividends, expected risk free interest rates and expected share price volatility. In addition, the likely achievement of performance hurdles of the share rights have been taken into account.

# Audited Remuneration Report

- (c) Figures in this column are calculated by multiplying the number of share rights exercised by directors and executives during the year by the share price prevailing on the date share rights were exercised, notwithstanding that the underlying shares may not be beneficially held by the respective director or executive as the shares may not have been withdrawn from the IRESS Employee Share Trust.
- (d) Share grants vesting in Mr Dunai primarily pertain to his prior role as Managing Director. In this light it would be inconsistent to include an assessment of grants vesting in the current year relative to his current fees as a Director.

Share Rights granted, exercised or lapsed in favour of the Managing Director and executives or a related body corporate of theirs during the financial year ended 31 December 2009 were as follows.

	% of remuneration consisting of share based consideration (a)	Value of share based consideration granted during the year at grant date \$(b)	Value of share based consideration exercised during the year \$(c)	Value of share based consideration at lapse date, where lapsed during the year \$
<b>Directors</b>				
Mr P Dunai	56	–	1,793,000	–
Mr A Walsh	37	553,000	782,400	–
<b>Executives</b>				
Mr S Bland	37	264,160	391,200	–
Mr J Davies	24	156,000	496,800	–
Ms K Gross	40	223,180	391,200	–
Mr A Rudy	37	149,660	293,400	–
Mr J Rudy	38	167,880	293,400	–
Mr D Walker	37	242,040	391,200	–

- (a) This figure is calculated on the value of share rights included in remuneration for the year ended 31 December 2009 as a percentage of the total value of all remuneration received in that same year.
- (b) External valuation advice from PricewaterhouseCoopers Securities Limited has been used to determine the value of the performance rights. The valuation has been made using a Monte Carlo simulation option pricing model using standard option pricing inputs such as the underlying stock price, exercise price, expected dividends, expected risk free interest rates and expected share price volatility. In addition, the likely achievement of performance hurdles of the share rights have been taken into account.
- (c) Figures in this column are calculated by multiplying the number of performance rights exercised by directors and executives during the year by the share price prevailing on the date share rights were exercised, notwithstanding that the underlying shares may not be beneficially held by the respective director or executive as the shares may not have been withdrawn from the IRESS Employee Share Trust.

# Audited Remuneration Report

## Outline of Employment Contracts for the Managing Director and Executives

Contractual terms for most executives are similar but do vary on occasions. Details of the general contractual terms for executives (Mr S Bland, Mr J Davies, Ms K Gross, Mr A Rudy, Mr J Rudy, Mr D Walker and Ms T Vigilante) are as follows.

Criterion	Particulars
Length of contract	Open ended
Notice period	Not less than 3 months (a)
Fixed remuneration	The fixed remuneration component consists of salary, statutory employer superannuation or retirement scheme contributions and benefits (comprising health insurance). Any fringe benefit tax liability in respect to benefits is borne by the employing entity.
Incentive arrangements	Eligible to participate in the employing entity's short term incentive arrangements. Eligible to participate in the Company's long term incentive arrangements.
Resignation	Employment may be terminated by giving written notice of same for the period specified in the Notice Period of the contract.  If resignation occurs during the year, then there is no entitlement to any bonus or long term incentives which have not vested, unless otherwise determined by the Board.
Retirement	There are no financial entitlements due from the employing entity on the retirement of an executive.  Directors do have a discretion to make ex-gratia payments, for example if retirement were to occur during the year, then directors may elect to make a pro-rata award under any applicable bonus or incentive plan, based on performance up to the date of retirement.
Termination on notice by the employing entity	The employing entity may terminate the employment agreement by providing written notice of same for the period specified in the Notice Period of the contract, or payment in lieu of the notice period.  If termination occurs during the year then a pro-rata award will be made for any applicable bonus or incentive plan, based on performance up to the date of termination.
Redundancy	If the employing entity terminates employment for reasons of bona fide redundancy, a severance payment will be made. The quantum will be at the Board's discretion taking account of such matters as statutory requirements, the executive's contribution, position and length of service.  If redundancy occurs during the year then a pro-rata award will be made for any applicable bonus or incentive plan, based on performance up to the date of termination.
Income protection insurance	The Company currently has Income Protection Insurance cover for all Australian domiciled staff covering the period from 2 years after the applicable incident until that staff member turns 65. Australian domiciled executives are included in this policy.
Termination for serious misconduct	The employing entity may terminate the employment agreement at any time without notice and the executive will only be entitled to accrued leave entitlements.
Termination and share grants	Depending on the circumstances, directors may choose to exercise their discretion in relation to share grants. Any such discretion would be assessed on a case by case basis.

(a) Mr Davies has a six week notice period

# Audited Remuneration Report

Details of the contractual terms for the Managing Director are broadly the same as set out for executives in the above table. Key points of difference are as follows.

<b>Criterion</b>	<b>Particulars</b>
Length of contract	Open ended.
Position	Managing Director.
Notice period	Not less than six months.
Incentive arrangements	Eligible to participate in the company's short term incentive arrangements.  Eligible to participate in the Employee Performance Rights Plan, Employee Deferred Share Plan, Employee Deferred Share Rights Plan or any replacement or supplementary plan.
Restraint	A restraint arrangement exists during Mr Walsh's employment and for a period of six months post his employment.
Termination and share grants	Depending on the circumstances, directors may choose to exercise their discretion in relation to share grants. Any such discretion would be assessed on a case by case basis.